



Department of
Financial Institutions

2016 Annual Report

Tennessee Department of Financial Institutions | 42nd Annual Report |





Dear Governor Haslam and Citizens of the State of Tennessee:

I am pleased to present the 42nd Annual Report of the Department of Financial Institutions.

The Department regulates banks, credit unions, trust companies, business and industrial development corporations, industrial loan and thrift companies, insurance premium finance companies, mortgage lenders, brokers, servicers and originators, title pledge lenders, check cashers, deferred presentment services companies, money transmitters and flexible credit act lenders.

We play a vital role in regulating and supporting the financial services industry and ensuring that Tennessee financial institutions remain fiscally strong and comply with governing authority.

The Department's mission is to ensure a safe and sound system of state-chartered institutions for Tennessee citizens, while giving institutions the opportunity to contribute to economic progress. In short, we seek to find balanced regulation. The condition of the Tennessee banking system continues to improve from the economic downturn. Tennessee state-chartered depository institutions remain well positioned to continue serving their communities.

Although continued consolidation within the banking industry is anticipated in 2017, total loans and assets continue to increase and the complexity and breadth of operations continue to grow. There was one application for a state bank charter filed in 2016. This was the first application for a bank charter since 2007.

The Department recommends legislation in 2017 that places certain non-deposit lenders, including industrial loan and thrift companies, title pledge lenders, check cashers and premium finance companies, on a multi-state automated licensing system. Additionally, this legislation would eliminate an annual reporting requirement for mortgage company licensees because the information is otherwise available to the Department from other required reports.

The Department continues to develop and implement its Regulatory Balance mission for depository institutions. Department examiners seek to right size regulation to the merits of each institution and avoid a one size fits all approach in order to support the Governor's economic goals for Tennessee. The Tennessee banking system is critical to the state's economic vitality and the Department's balanced regulatory approach supports economic progress.

With respect to non-deposit companies, the Department has established a risk focused examination program that establishes a risk profile on licensed locations so that we can focus more resources on companies that are high risk. The goal is to improve the operations of non-deposit companies by sharing risk assessment information with each licensee.

In an effort to support the efficient and effective regulation of financial institutions, the Department implemented Alternative Workplace Solutions to reduce the office space that the Department is assigned by nearly 75%, avoiding \$450,000 in annual cost. Nearly 90% of Department staff are either a mobile worker or working from home. The expectation is to better retain employees and create more experience to further help us find regulatory balance.

Our experience indicates that financial literacy is one of the keys to dealing with the economic issues facing us today. The Department has initiated a number of activities in recent years. Public service announcements, workshops, consumer alerts, panel discussions and an effort to reach Tennessee teachers and students were all a part of this effort. I serve on the board of the Tennessee Financial Literacy Commission. The mission of the Tennessee Financial Literacy Commission is to equip Tennesseans to make sound financial decisions when it comes to planning, saving and investing. A financially literate public is a key factor in establishing a safe and sound system of financial institutions.

Throughout this report you will find additional information related to the work of this agency, as well as the condition of the entities the Department regulates. As you read this report, you will notice that Tennessee remains a premier state for banking, trust and financial services companies. On behalf of the employees of the Department, this report is respectfully submitted.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg George".

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OUR MISSION:

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety and soundness and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation.

OUR VISION:

Our vision is the establishment of a regulatory program that provides for a sound state financial services system within which institutions have the opportunity to succeed and serve their communities by encouraging commerce while there is strong enforcement of laws and regulations to protect citizens.



Commissioner Greg Gonzales

Greg Gonzales is the 18th commissioner of the Tennessee Department of Financial Institutions, who began serving in this role in 2005, and was reappointed by Governor Bill Haslam. He has served in the Department since 1986. In this position, Gonzales serves as Tennessee's chief regulatory officer of all state-chartered depository and licensed non-depository financial institutions. Additionally, he has served as assistant commissioner and general counsel for the Department.

Gonzales is a past Chairman of the Conference of State Bank Supervisors (CSBS), which is the professional organization of state banking commissioners in the United States. Commissioner Gonzales, for a number of years, served as a member of the Board of Directors of the Money Transmitter Regulators Association (MTRA), an organization of a majority of the states that regulate funds transfer companies. He serves on the State Liaison Committee that incorporates the state supervisory perspective into the Federal Financial Institutions Examination Council. He served on the U.S. Treasury's Bank Secrecy Act Advisory Group. Commissioner Gonzales currently serves on the Board of Directors of the Tennessee Financial Literacy Commission. Gonzales also currently serves on a national task force studying how new technologies are affecting the U.S. payment systems.

Commissioner Gonzales was born in Cookeville, Tennessee and graduated Cum Laude in Cursu Honorum with a bachelor's degree from Tennessee Technological University in 1980. Gonzales served as a research assistant in 1980 to Sir Patrick Cormack, a Conservative Party member of the British Parliament. He earned a law degree from the University of Tennessee in 1984.

Commissioner Gonzales is an avid baseball fan and has rooted for the Chicago Cubs since the 1960s, which has taught him great life lessons in perseverance and that loyalty is eventually rewarded.



DEPARTMENT OVERVIEW

TOTAL NUMBER OF STATE-CHARTERED INSTITUTIONS Fiscal Year June 30, 2015 vs. Fiscal Year June 30, 2016

CHARTERS	June 30, 2015	June 30, 2016
Commercial Banks/Savings Banks	151	145
Trust Companies	9	10
Credit Unions	90	87
TOTAL NUMBER OF CHARTERS	250	242

TOTAL NUMBER OF LICENSED OR REGISTERED NON-DEPOSITORY FINANCIAL INSTITUTIONS AND INDIVIDUALS Fiscal Year June 30, 2015 vs. Fiscal Year June 30, 2016

LICENSEES/REGISTRANTS	June 30, 2015	June 30, 2016
Industrial Loan and Thrift Companies	1,521	1,410
Insurance Premium Finance Companies	41	54
Mortgage Companies	568	606
Mortgage Loan Originators	8,164	10,215
Money Transmitters	88	102
BIDCOs	1	1
Deferred Presentment	1,286	1,052
Check Cashers	609	563
Title Pledge Lenders	1,087	960
Flex Credit Lenders	345	463
TOTAL NUMBER OF LICENSEES/REGISTRANTS	13,710	15,426

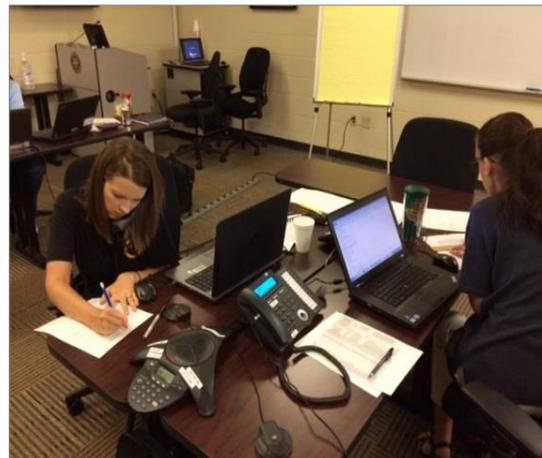
TOTAL REFUNDED TO CONSUMERS PER INDUSTRY Fiscal Year Ending June 30, 2016

LICENSEES / REGISTRANTS	TOTAL
Check Cashers	\$1,491.88
Deferred Presentment	\$77,202.93
Flexible Credit	\$237.65
Mortgage Companies	\$213,584.08
Industrial Loan and Thrift Companies	\$98,857.11
Title Pledge Lenders	\$74,561.28
TOTAL REFUNDED	\$465,934.93

TDFI/TEMA DISASTER EXERCISE

On June 23rd and 24th 2016, the Department conducted a Joint Tennessee Department of Financial Institutions (TDFI)/Tennessee Emergency Management Agency (TEMA) Disaster Exercise, a first time event for the Department which included several federal and state chartered financial institutions. The exercise encompassed some of the largest to some of the smallest banks and credit unions located across Tennessee from the Tri-Cities area to Memphis. Following the exercise, we received from the financial institutions that participated, a common theme that the institutions were now more aware of the fact that TDFI and TEMA are available to assist in the event of an emergency with that fact evidenced by the recent Gatlinburg wildfires. Many of the financial institutions involved in the exercise were not previously aware that the Department and TEMA could provide relief both economically and physically in the event of a disaster. The Department's assistance is driven by the need to protect, empower and enable financial institutions to help their employees, customers and local communities to recover economically as quickly as possible. The quicker a bank or credit union can be restored to operation and provide economic stability and viability for their local community, the more people can be empowered economically to overcome disasters.

For the first time, the Department's disaster recovery exercise included financial institutions working through scenarios that could potentially occur in a disaster and that would impede their operations and ability to be of service to customers. TDFI staff worked collaboratively with the institutions through the various scenarios, identified solutions, provided assistance and shared information about resources available through the Department and TEMA. This first time exercise engaged the Department, TEMA, and financial institutions as to how basic economic needs can be met directly, promptly, and completely with the goal to restore financial institution operations as timely as possible. Financial institutions indicated that this event helped them to identify opportunities for improvement to better prepare their contingency plans and staff for potential disaster events.



TDFI Employees Participating in TDFI/TEMA Disaster Exercise

ADMINISTRATIVE DIVISION

The Administrative Division manages the Department's budget and oversees fiscal services, human resources, training and development, legal, information systems, and consumer resources. Therefore, the Administrative Division provides support to the three regulatory divisions.



COMMISSIONER'S OFFICE

Greg Gonzales, Commissioner
Herb Kraycirik, CPA, CGFM, Audit Director
Alica Owen, Executive Assistant/Public Information Officer

ADMINISTRATIVE DIVISION

Tina G. Miller, Deputy Commissioner
Christy Adams, Administrative Services Manager
Joyce Simmons, Chief Regulatory Accountant

FISCAL SECTION

Michelle Berry, CPA, Budget/Fiscal Director
Mary Jane Friedmann, Accountant

LEGAL SECTION

Marsha Anderson, General Counsel
Sarah Branch, Assistant General Counsel
Paula Cagle, Executive Administrative Assistant
Denise Cole, Deputy General Counsel
Daniel Espensen, Assistant General Counsel
Mark Kilpatrick, Assistant General Counsel
Troy McPeak, Assistant General Counsel
Eric Rogers, Chief Legal Counsel-Compliance Division
Todd Staley, Legislative Liaison/Assistant General Counsel

HUMAN RESOURCES SECTION

Kelley Murray, HR Assistant
Teri Crow, HR Analyst
Carmen McCreedy, Receptionist
Leslie Yanez, M.S., SPHR, SHRM-SCP, HR & Training Director

CONSUMER RESOURCES SECTION

Alicia Gay, Administrative Services Assistant
Bettye Osborne, Administrative Services Assistant
Alan Smith, Consumer Resources Director

INFORMATION TECHNOLOGY SECTION

Bonnie Heithcock, Project Manager Senior*
Charles Ingram, Business Technical Support Advanced*
Ramesh Prajapati, Software Developer Advanced*
Kenneth Weems, Software Developer Advanced*
Tracy White, Executive IT Director*
Jeremy Wilberger, Software Developer Advanced*

Personnel Designation: M.S., Master's Degree, SPHR, Senior Professional of Human Resources, SHRM-SCP, Society of Human Resource Management-Senior Certified Professional, CPA, Certified Public Accountant, CGFM, Certified Government Financial Manager

*Strategic Technology Solutions (STS) employees dedicated to TDFI



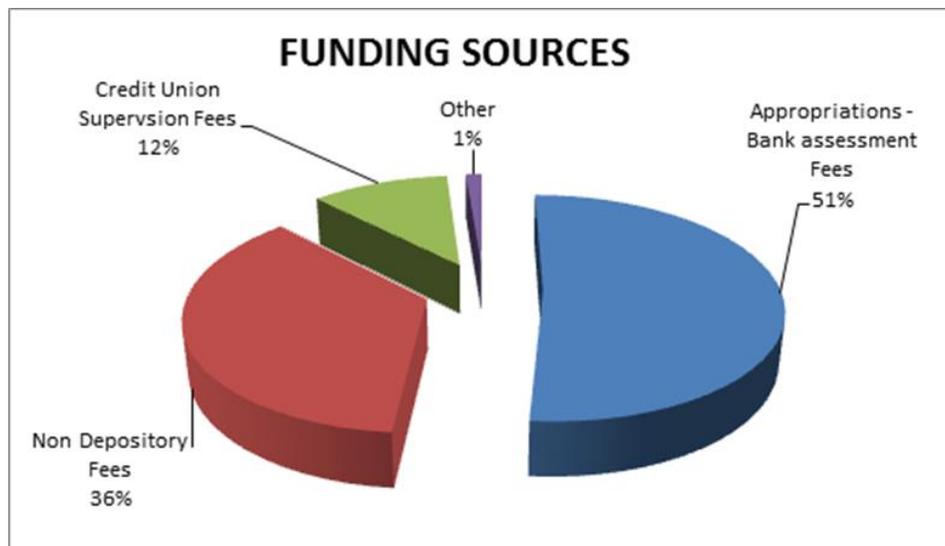
FISCAL REVIEW

2016 FUNDING SOURCES

REVENUE SOURCE	AMOUNT (ROUNDED TO NEAREST HUNDRED DOLLARS)
Appropriations-Bank Assessment Fees	\$10,212,700
Non-Depository Fees	\$7,099,100
Credit Union Supervision Fees	\$2,272,800
Other	\$248,700
TOTAL REVENUES	\$19,833,300

The Department of Financial Institutions receives no federal or state taxpayer funds and is fully funded by the fees assessed to the financial institutions regulated and supervised by the Department.

In addition to the 2016 revenue source chart, in late FY 2012, the Department received one time settlement funds totaling \$1,000,000 from a nationwide settlement. At June 30, 2016, the remaining balance of these funds totaled \$672,600 and was carried forward to FY 2017.

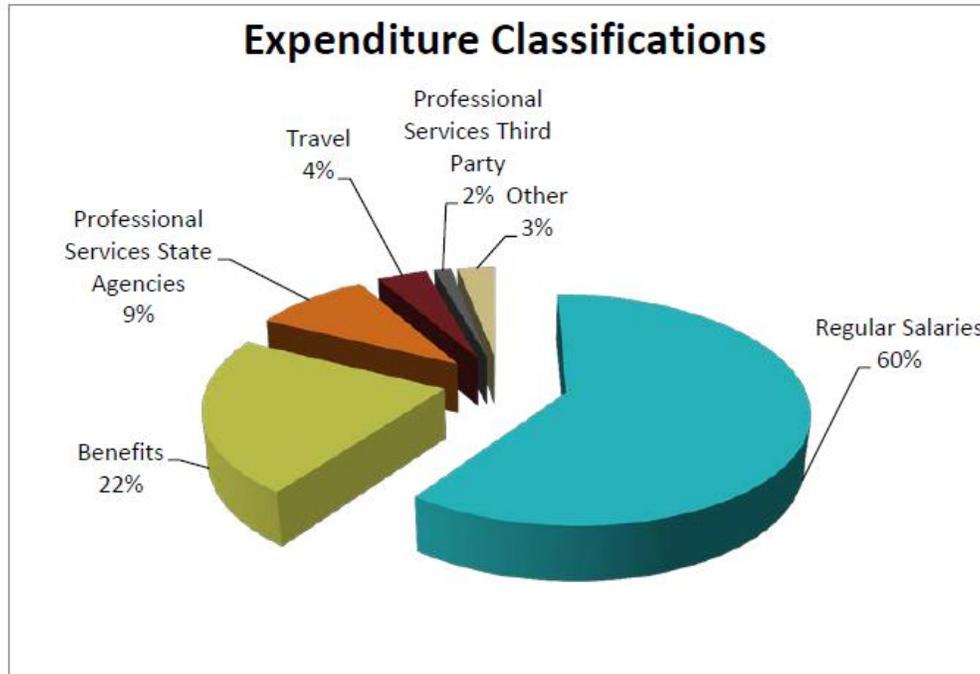


The Department’s regulatory oversight includes:

- State-Chartered Banks
- State-Chartered Credit Unions
- Business and Industrial Development Corporations (BIDCOS)
- Trust Companies
- Check Cashing Companies
- Deferred Presentment Services Providers
- Flex Credit Lenders
- Industrial Loan and Thrift Companies
- Insurance Premium Finance Companies
- Money Transmitters
- Residential Mortgage Lenders, Brokers and Servicers and Mortgage Loan Originators
- Title Pledge Lenders

2016 EXPENDITURES

EXPENDITURE CATEGORY	AMOUNT (ROUNDED TO NEAREST HUNDRED DOLLARS)
Regular Salaries	\$10,173,100
Benefits	\$3,788,900
Professional Services State Agencies	\$1,582,400
Travel	\$677,200
Professional Services Third Party	\$229,800
Other	\$510,400
TOTAL EXPENDITURES	\$16,961,800



HUMAN RESOURCES AND TRAINING

The Human Resources and Training section in the TDFI Administrative Division coordinates and provides customer service to employees on issues/matters related to benefits, time and labor processing, policy clarification, personnel file management, recruitment and hiring, performance management, employee relations, worker's compensation, Family Medical Leave, ADA/AACOM Accommodations and other matters related to an employee's welfare and/or job performance. Additional support is provided by ensuring employees' personnel records and training records are updated in Edison. In addition to supporting our employees, the Human Resources and Training section staff works collectively with the Budget section to maintain up-to-date information related to employee salaries, benefit expenses as well as provide needed information for reports and presentations related to personnel turnover, statistics and/or demographics.

During this past year, greater emphasis has been placed on employee development. During the 2015/2016 fiscal year, 96% of the Department's management staff completed level one of the State of Tennessee Department of Human Resource's Leadership Pyramid requirements.

In addition to the examiner training that many of our staff participates in each year, leadership development has become increasingly important to TDFI. During this past year, we had one employee participate in and graduate from Tennessee Government Executive Institute; one employee participate in and graduate from Tennessee Government Management Institute; one employee participate in and graduate from the Accelerated Leadership Institute; two employees participate in and graduate from LEAD Tennessee and nine employees participated in and graduated from our own Commissioner's Leadership Academy developed in consultation with the Department of Human Resources.



In January, 2016, staff previously assigned to work in the Citizens Plaza building moved to the Tennessee Tower to a reduced office space and we fully implemented Alternative Workplace Solutions (AWS). Only sixteen department employees are permanently assigned to work on a daily basis in the Nashville office. 90% of our Department employees are classified as either mobile workers or work-at-home. Mobile workers generally report on a daily basis to a financial institution to participate in an examination. On days when they do not report to a financial institution, they work at home. Employees classified as work at home, generally work at home a minimum of three (3) days per week and work at the office on an average of two (2) days per week. Implementation of AWS has reduced office expenses, reduced employee travel to and parking in the Nashville area as well as increased productivity and improved morale. Increased productivity was really recognized when inclement weather resulted in state offices being closed and mobile workers or work at home staff was still able to work rather than take administrative leave with pay. This initiative provides the Department with greater flexibility which has strengthened our regulatory efforts by allowing us to retain our most experienced staff and to recruit new talent from all over the state. In addition, the

AWS initiative will allow us to save on rent each year. The AWS initiative has also encouraged us to accelerate our efforts to go paperless which is increasing our efficiency and reducing our costs for document storage.



2016/2017 Commissioner's Leadership Academy Summit



INFORMATION TECHNOLOGY

2016 TECHNOLOGICAL ADVANCEMENTS

The TDFI Information Technology staff transitioned to the Strategic Technology Solutions division under the Department of Finance and Administration in a statewide initiative to consolidate IT services into “business-like” domains to share resources across the Community / Resource Development and Regulation Business Domain. Through collaboration, the Business Domains seek opportunities for expanded, shared solutions while improving efficiencies and outcomes with unified processes, standardized methodologies, shared assets, and pooled resources under a single organizational structure. The goals of the consolidated IT services are:

- Deliver outstanding IT customer service
- Increase IT’s use of standardized best practices and maximize resources to meet demand and produce project success and consistent results
- Leverage synergies along similar lines of business to minimize complexity and duplication of effort, costs and the number of systems
- Promote technical innovation to better meet departments’ business needs
- Enhance career opportunities for talented IT employees
- Develop and manage cost of IT for each department and the Business Domain
- Support the Administration’s goals by supporting the timely accomplishment of TDFI initiatives as prioritized by TDFI

TDFI has developed a TDFI IT Portfolio (includes funding, resources, and schedules) for all business solutions needs over the next three years. TDFI IT staff that has transitioned to Strategic Technology Solutions will continue to work on the TDFI portfolio of projects until the three year plan to accelerate some of the Department’s development needs have been completed.

The IT staff continues to implement all layers of security available in the State and enforces employee compliance with our internal Data Security Policy by training employees and auditing their computers.

IT/STS Staff



LEGAL SECTION

The Legal Section provides legal advice and representation for the Department. It is comprised of a General Counsel, seven staff attorneys and one Legal Assistant.

The Department's Legal Section advises the Commissioner and departmental personnel in all legal matters affecting the Department. They work closely with regulated entities and the general public in addressing legal issues. They also work with the Governor's Office and the Tennessee General Assembly on legislative issues affecting financial institutions.

The Legal Section assists in the coordination of enforcement initiatives with other federal and state regulators as well as with various law enforcement agencies. The Legal Section represents the Department in all administrative enforcement actions initiated by the various divisions in the Department.

The Legal Section was heavily involved in the 2016 Legislative session by analyzing and tracking bills, working closely with the Governor's Office, the General Assembly, and other groups sponsoring legislation which impacted the Department. The Legal Section provided assistance to divisions on a myriad of legal issues, ranging from issues pertaining to bank, trust company and credit union applications and operations, consumer lenders, including industrial loan and thrift companies, title pledge lenders, deferred presentment services providers, and flexible credit lenders, to issues involving mortgage companies, mortgage loan originator registration, money transmitter licensing, and check cashers, as well as other areas requiring legal expertise.



2016 LEGISLATION

Public Chapter 714 – Amends T.C.A. Title 45, Chapter 2, Part 20. Effective Date: April 6, 2016.

Public Chapter 714 amends Title 45, Chapter 2, Part 20, by expanding the scope of (i) the persons that may control a private trust company and (ii) the persons that may be served by a private trust company.

This Act simplifies the description of a private trust company in § 45-2-2001(a) by providing that: (i) a private trust company is a company acting as a fiduciary in this state that does not transact a trust business with the general public and (ii) all individuals who control the private trust company or control entities that control the private family trust company must be "family members" (defined in § 45-2-2001(b)(2)).

This Act amends § 45-2-2001(b)(2) by adding and changing several definitions used in the context of private trust companies. The Act provides that the term "designated ancestor" includes one individual and may also include one or more spouses or former spouses of that individual (where prior law limited the term to just

one individual). The Act further expands the term “family member” (from lineal descendants related within the tenth degree of a designated ancestor under prior law) to include: individuals related within the twelfth degree of lineal kinship and the eleventh degree of collateral kinship of a designated ancestor; spouses or former spouses of a designated ancestor or of a family member; relatives of a spouse or former spouse related within the fifth degree of lineal or collateral kinship; and foster children. In addition, the Act adds the term “family client” to describe the persons that may be served by the private trust company, which includes family members, entities owned and controlled by family members, and certain employees of family members, among other persons and entities.

Public Chapter 745 – Amends T.C.A. Title 45, Chapter 5 and T.C.A. Title 45, Chapter 13

Effective Date: April 7, 2016.

Public Chapter 745 amends Title 45, Chapters 5 (the Industrial Loan and Thrift Companies Act) and Chapter 13 (the Residential Lending, Brokerage and Servicing Act) by adding new provisions to §§ 45-5-202(h) and § 45-13-202(e), which prohibit the commissioner from using a multi-state automated licensing system to share FBI criminal history background information of any individual other than mortgage loan originators, unless otherwise authorized by federal law.

RULEMAKING

Repeal of Chapter 0180-25 – Rules Pertaining to the Assessment of the Annual Credit Union Supervision Fee

Effective Date: August 30, 2016

Chapter 0180-25 previously set forth processes and procedures for assessing and collecting the annual supervision fee that the Department assesses to state-chartered credit unions. Public Chapter 241 of the Acts of 2015, effective April 24, 2015, amended T.C.A. § 45-4-1002 to set forth a new formula for determining that fee as well as the processes and procedures for assessing and collecting that fee. As a result, Public Chapter 241 rendered Chapter 0180-25 ineffective and unnecessary. Accordingly, the Department has repealed Chapter 0180-25.



CONSUMER RESOURCES SECTION

The Consumer Resources Section (CRS) reviews and tracks consumer complaints, fosters community outreach and encourages financial literacy in Tennessee.

The Consumer Resources Section was created in 2004 and in 2016 began operating in the Alternative Workplace Solutions (AWS) environment. CRS has been able to maintain its high level of service in the AWS environment.



The Consumer Resources Section has surpassed \$477,000 in refunds to complainants through the consumer complaint process over 13 years of operation. In calendar year 2016, refunds from the consumer complaint process totaled \$29,418.94. During the 2016 calendar year, CRS also started including waived fees into the refund totals. Many institutions who respond to consumer complaints offer a resolution that includes the waiver of a fee.

CONSUMER PROTECTION

The key responsibility of CRS is to receive and process consumer complaints. The Department of Financial Institutions is the primary state agency that has statutory jurisdiction to process consumer concerns and complaints involving financial institutions operating under the various laws the Department administers in the state of Tennessee. The Consumer Resources Section processes all complaints related to financial institutions that are chartered and/or licensed by the Department. If the Department receives information that does not fall within its jurisdiction, those inquiries or complaints are forwarded to the appropriate agency and the consumer is advised accordingly.

It is a routine practice of CRS to submit the consumer's written complaint to the financial institution for response. Within its jurisdiction, CRS serves as an intermediary between the consumer and the institution against which the complaint is filed.

CRS processed a total of 371 formally filed consumer complaints throughout calendar year 2016. These were received from 64 of the state's 95 counties (67.37%). A total of 47 (12.67%) complaints were filed by out of state residents. Additionally, of the total number of complaints that were filed, 52.29% were submitted using the Department's online consumer complaint form.



Shelby County residents had the highest number of complaints filed with 66 (17.79% of total). Of the total consumer complaints filed in 2016, 152 or 40.97% came from the state's four largest

metropolitan county areas. The complete county listing of consumer complaints filed in 2016 appears later in this report.

CONSUMER EDUCATION

A key strategy in helping protect consumers is to develop and coordinate educational resources that can assist consumers in making informed financial decisions. Education is a powerful financial literacy tool. Consumers who understand their rights and responsibilities are better equipped to make sound financial decisions. The staff essentially provides one-on-one personal financial education on a daily basis through phone calls, letters and e-mail correspondence with consumers.



One of the goals of CRS is to ensure that all Tennesseans have access to financial literacy programs that will help them make better money management decisions. The Commissioner is a board member of the Tennessee Financial Literacy Commission, which is to act as a clearing house for financial literacy activity in Tennessee and is to give input to the effort to increase financial literacy in elementary schools. We were privileged to partner with a number of agencies to promote savings in conjunction with America Saves Week. Throughout

calendar year 2016, CRS continued its partnership with Tennessee Jumpstart, A Coalition for Personal Financial Literacy. The Section also continued to serve on the Advisory Council for Bank on Music City, which is an initiative to reach the un-banked and under-banked in Nashville-Davidson County and the surrounding counties.

CRS continued issuing a quarterly newsletter titled "Spotlight on Finance" that is sent to more than 40,000 state employees. The newsletter is also posted on the Department's website and copies were shared at some of the outreach presentations that were given.

FINANCIAL EDUCATION OUTREACH

The following is a listing of the presentations made or brochures provided to various groups during 2016:

- Metro Nashville Public Schools Financial Bootcamp-Nashville
- Friends for Life-Memphis
- America Saves and Tennessee Saves Day on the Hill-Nashville
- Consumer Protection Day on the Hill-Nashville
- Nashville Alliance for Financial Independence-Nashville
- Tennessee State University 2nd Annual Financial Literacy Awareness Day-Nashville
- Tennessee Jump\$tart Personal Finance Educators Conference-Gatlinburg
- 2016 Symposium on Aging-Tennessee State University Center on Aging Research and Education Services-Nashville
- Humes Preparatory Academy-Memphis

- Coca-Cola Consolidated-La Vergne and Nashville
- Multi-Agency Resource Center-Pigeon Forge-Gatlinburg Wildfire relief effort



CRS Display Booth



Promotional Material

CONSUMER COMPLAINTS BY INDUSTRY

INDUSTRY	TOTAL
Bank*	88
Check Casher	0
Credit Union*	61
Default**	44
Deferred Presentment	18
Flexible Credit****	26
Industrial Loan and Thrift (TILT)***	16
Insurance Premium Finance	0
Money Transmitter	27
Mortgage	75
Mortgage Loan Originator	4
Title Pledge	12
TOTAL COMPLAINTS	371

*Calendar year ending December 31, 2016

*Bank and credit union data includes federally-chartered, other state's-chartered and Tennessee state-chartered institutions.

**DEFAULT category contains complaints against financial institutions and/or companies that were not subject to the Department's regulation and the complaint was referred to the correct agency holding jurisdiction or regulatory authority.

***Tennessee Industrial Loan and Thrift Companies

**** Flexible Credit Loans became effective January 1, 2015

TOP TEN CONSUMER COMPLAINT ALLEGATIONS

Rank	Allegation	#
1	Payment Processing-Payment History Issues	50
2	Customer Service Issues	40
3	Account Balance Discrepancy	18
4	Account Fee Issues	14
5	Scams	14
6	Application Processing Issues	13
7	High Interest Rate	13
8	Unapproved Account Withdrawal	13
9	Foreclosures Issues	13
10	Misrepresentation	11



TOTAL COMPLAINTS BY COUNTY

County	Total Complaints	Percent %	County	Total Complaints	Percent %	County	Total Complaints	Percent %
Out of State	47	12.67%	Hamblen	1	0.27%	Moore	0	0.00%
Anderson	8	2.16%	Hamilton	15	4.04%	Morgan	0	0.00%
Bedford	4	1.08%	Hancock	0	0.00%	Obion	1	0.27%
Benton	0	0.00%	Hardeman	4	1.08%	Overton	0	0.00%
Bledsoe	1	0.27%	Hardin	1	0.27%	Perry	1	0.27%
Blount	5	1.35%	Hawkins	2	0.54%	Pickett	0	0.00%
Bradley	3	0.81%	Haywood	0	0.00%	Polk	1	0.27%
Campbell	1	0.27%	Henderson	0	0.00%	Putnam	2	0.54%
Cannon	0	0.00%	Henry	0	0.00%	Rhea	1	0.27%
Carroll	3	0.81%	Hickman	0	0.00%	Roane	2	0.54%
Carter	3	0.81%	Houston	0	0.00%	Robertson	3	0.81%
Cheatham	2	0.54%	Humphreys	1	0.27%	Rutherford	18	4.85%
Chester	0	0.00%	Jackson	0	0.00%	Scott	0	0.00%
Claiborne	0	0.00%	Jefferson	3	0.81%	Sequatchie	1	0.27%
Clay	0	0.00%	Johnson	0	0.00%	Sevier	4	1.08%
Cocke	1	0.27%	Knox	22	5.93%	Shelby	66	17.79%
Coffee	2	0.54%	Lake	0	0.00%	Smith	2	0.54%
Crockett	1	0.27%	Lauderdale	1	0.27%	Stewart	1	0.27%
Cumberland	2	0.54%	Lawrence	1	0.27%	Sullivan	6	1.62%
Davidson	49	13.31%	Lewis	1	0.27%	Sumner	10	2.70%
Decatur	0	0.00%	Lincoln	3	0.81%	Tipton	3	0.81%
Dekalb	2	0.54%	Loudon	3	0.81%	Trousdale	0	0.00%
Dickson	2	0.54%	McMinn	1	0.27%	Unicoi	4	1.08%
Dyer	2	0.54%	McNairy	0	0.00%	Union	0	0.00%
Fayette	1	0.27%	Macon	1	0.27%	Van Buren	0	0.00%
Fentress	2	0.54%	Madison	6	1.62%	Warren	2	0.54%
Franklin	1	0.27%	Marion	0	0.00%	Washington	5	1.35%
Gibson	1	0.27%	Marshall	1	0.27%	Wayne	0	0.00%
Giles	0	0.00%	Maury	2	0.54%	Weakley	0	0.00%
Grainger	0	0.00%	Meigs	0	0.00%	White	0	0.00%
Greene	2	0.54%	Monroe	2	0.54%	Williamson	7	1.89%
Grundy	1	0.27%	Montgomery	10	2.70%	Wilson	4	1.08%
						Total	371	100.0%

BANK DIVISION

The Bank Division has legal responsibility for ensuring that the Tennessee state-chartered banking system runs on a safe and sound basis. The division's risk-focused approach seeks to achieve the Department's mission of balancing safety and soundness with affording institutions the opportunity to contribute to economic development. In its supervisory role, the Bank Division periodically examines the financial soundness of all state-chartered banks, savings banks and independent non-depository trust companies.

The Department met the statutory obligation of examining all institutions within a 12-month or an 18-month basis. This was accomplished through coordination with federal banking agencies.

Bank examiners perform evaluations of each institution's assets, liabilities, income and expenses; monitor compliance with governing laws and regulations; and rate the effectiveness of the institution's management. The adequacy of capital is assessed to ensure the protection of depositors. In addition, examiners review the Information Technology (IT) functions of state-chartered institutions for compliance with generally accepted IT practices and adherence to Departmental regulations.

Bank Division staff also examines Business and Industrial Development Companies (BIDCOs) for compliance with governing statutes and evaluates applications for new institutions, branches, expanded financial activities and corporate reorganizations.

The Bank Division is accredited by the Conference of State Bank Supervisors.



ADMINISTRATION

Tod Trulove, Assistant Commissioner, CEM
Tony Matthews, Chief Administrator – Examinations
Todd Rice, Chief Administrator – Examinations, CEM
Debra Grissom, Chief Administrator – Applications
Wade McCullough, Program Administrator – Trust, CEIC
Clyde McClaran, Division Training Director
James Dewhirst, Consumer Compliance Liaison

William Cook, Application Analyst
Curt Faulkner, Program Administrator – Applications
Justin McClinton, Safety & Soundness Administrator
Philip Ruffin, Safety & Soundness Administrator
Ekaette Udoumana, Safety & Soundness Administrator
Memory Little, Executive Administrative Assistant
Gina Tarolli, Administrative Services Assistant

EXAMINATION PERSONNEL

WEST TENNESSEE DIVISION

Danny Nolen, Bank Division Manager, CEM, CFE
Timothy Runions, Bank Regional Supervisor, CEIC, CFE
Phillip Stafford, Bank Regional Supervisor, CEIC, CFE
Roxanne Taylor, FI Special Examiner Trust, CEIC, CFE
Vicki Ivey, Bank Off-Site Monitoring Coordinator, CEIC, CFE
Grant Casselberry, IT Bank Examiner
Toniece Johnson, Bank Examiner 4, COE
Kenneth Oliver, Bank Examiner 4, CPA
Robert Prather, Bank Examiner 4, ACISE, CEIC, CFE

Stephen Koffman, Bank Examiner 3
Teresa Curtis, Bank Examiner 2
Courtney Hopper, Bank Examiner 2
Cheena Keltner, Bank Examiner 2
Holly Ragan, Bank Examiner 2
Jeffrey Rial, Bank Examiner 2
Brittany Williams, Bank Examiner 2
Blake Mascolo, Bank Examiner 1
Angelyn Williams, Bank Examiner 1

MIDDLE TENNESSEE DIVISION

Mike Sisk, Acting Bank Division Manager, CEIC
Storm Miller, Bank Regional Supervisor, CEM
Edward Black, FI Special Examiner Trust
Sherri Cassetty, Bank Off-Site Monitoring Coordinator, CEIC, CFE
Kimberly Morrow, Bank Examiner 4
Mark Herren, Bank Examiner 3
Alan Kirkwood, Bank Examiner 3
Jordan Brown, Bank Examiner 2

Michael Glaser, Bank Examiner 2, CFE
Darnell Tate, Bank Examiner 2
John Tubb, Bank Examiner 2
James Alley, Bank Examiner 1
William Borre, Bank Examiner 1
Cody Durham, Bank Examiner 1
Matthew Hogan, Bank Examiner 1
Maggie Ragan, Bank Examiner 1
Zach Tarwater Bank Examiner 1

EAST TENNESSEE DIVISION

Louella McElroy, Bank Division Manager, CEM
James Matt Curtis, Bank Regional Supervisor
Jessica Huff, Bank Regional Supervisor
Kenneth Kelley, Bank Regional Supervisor
Chad Holbert, FI Special Examiner Trust
Jonathan Piper, Bank Off-Site Monitoring Coordinator, CEIC
Josh Robertson, IT Bank Examiner
James Cody Jordan, Bank Examiner 4

Jamice Lane-Washburn, Bank Examiner 4
Joy Seaver, Bank Examiner 4
Anthony Valentino, Bank Examiner 4
Michael Blair, Bank Examiner 2
Ashley McClellan, Bank Examiner 2
Madison McMahan, Bank Examiner 2
Penny Peterson, Bank Examiner 2
Corey Wright, Bank Examiner 2
Samuel England, Bank Examiner 1
Timothy Whitley, Bank Examiner 1

Personnel Designation: ACISE, Associate Certified Information Systems Examiner; CEIC, Certified Examiner-in-Charge; CEM, Certified Examinations Manager; CFE, Certified Fraud Examiner; COE, Certified Operations Examiner; CPA, Certified Public Accountant



East Tennessee Bank Examiners



Middle Tennessee Bank Examiners



West Tennessee Bank Examiners

APPLICATION ACTIVITIES FY 15-16

NEW BANKS OPEN

- There were no new bank openings in fiscal year 2015-16

BANK MERGERS

- CapitalMark Bank & Trust, Chattanooga, TN, merged with and into Pinnacle Bank, Nashville, TN under the title of Pinnacle Bank (July 2015)
- Magna Bank, Memphis, TN, merged with and into Pinnacle Bank, Nashville, TN, under the title of Pinnacle Bank (September 2015)
- First State Bank, Union City, TN, merged with and into Simmons National Bank, Little Rock, Arkansas under the title of Simmons National Bank (September 2015)
- Northwest Georgia Bank, Ringgold, GA merged with and into FirstBank, Nashville, TN under the title of FirstBank (September 2015)
- Medina Banking Company, Medina, TN, merged with and into Farmers & Merchants Bank, Trezevant, TN under the title of Farmers & Merchants Bank (December 2015)
- Cornerstone Community Bank, Chattanooga, TN, merged with and into SmartBank, Pigeon Forge, TN under the title of SmartBank (February 2016)
- National Bank of Tennessee, Newport, TN merged with and into Commercial Bank, Harrogate, TN, under the title of Commercial Bank (April 2016)
- Cumberland County Bank, Crossville, TN, merged with and into Bank of Putnam County, Cookeville, TN under the title of Bank of Putnam County (April 2016)

BANK CONVERSIONS

- First Federal Bank, Dickson, TN, converted from a federally-chartered savings association to a state-chartered savings bank (July 2015)

BANK CLOSURES

- Trust Company Bank, Memphis, TN (April 2016)

BIDCO TRANSACTIONS

- There were no BIDCO application transactions in fiscal year 2015-16

NEW TRUST COMPANIES OPEN

- Pendleton Square Trust Company, Nashville, TN (October, 2015)



INFORMATION AT A GLANCE (AS OF JUNE 30, 2016)

BANK REGULATED INSTITUTIONS:

145 Banks
10 Independent non-depository public trust companies
1 BIDCO

BANK DATA CONSOLIDATED TOTAL ASSETS:

\$61.0 billion, representing a \$4.6 billion or 8.18 percent increase since June 30, 2015

CONSOLIDATED CAPITAL:

\$6.9 billion, representing 11.22 percent of total assets

RETURN ON AVERAGE ASSETS (ROAA):

Median ROAA of 0.89 percent with a median Net Interest Margin of 4.03 percent (includes all banks)

ALLOWANCE FOR LOAN AND LEASE LOSSES (ALLL):

Median ALLL to total loans and leases ratio of 1.30 percent

PAST DUE RATIO:

Median past due ratio of 0.71 percent

TRUST COMPANY DATA TOTAL CONSOLIDATED CORPORATE ASSETS:

\$101.2 million, representing an approximate 2 percent increase compared to the same period in 2015

AGGREGATED NET INCOME FOR TRUST COMPANIES:

\$3.5 million, representing an 18 percent decline compared to the same period in 2015

TRUST ASSETS UNDER MANAGEMENT AND/OR CUSTODY:

Reflects an increase of 13 percent from \$20.3 billion to \$23 billion, inclusive of assets invested in common/collective trust funds.

BUSINESS AND INDUSTRIAL DEVELOPMENT CORPORATION (BIDCOS)

Tennessee Code Annotated, Section 45-8-225 (Report of Accomplishments) requires a report to be published annually that summarizes the accomplishments of the various BIDCOs operating in Tennessee. The one BIDCO licensed for the calendar year 2016 provided no financing to small businesses, minority owned businesses, or businesses owned by female proprietors.

TENNESSEE STATE-CHARTERED BANKS
CONSOLIDATED BALANCE SHEET (IN MILLIONS)
As of June 30, 2016 and June 30, 2015

ASSETS	June 30, 2016	June 30, 2015	\$ CHANGE	% CHANGE
Cash and Due From Banks	3,335	2,830	505	17.84%
Securities	10,847	11,048	-201	-1.82%
Federal Funds Sold and Securities	454	434	20	4.56%
Agreement to Resell				
Loans and Leases Held for Sale	945	878	67	7.66%
Loans and Leases, Net of Unearned	41,799	37,845	3,954	10.45%
Allowance for Loan and Lease Losses	-499	-512	13	-2.51%
Assets Held in Trading Accounts	13	10	3	24.88%
Premises and Fixed Assets	1,120	1,115	5	0.42%
Other Real Estate Owned	276	356	-80	-22.36%
Investments in Unconsolidated	155	104	51	49.04%
Intangible Assets	752	632	120	19.04%
Other Assets	1,847	1,686	161	9.55%
TOTAL ASSETS	61,044	56,426	4,617	8.18%
LIABILITIES				
Non-Interest Bearing Deposits	9,424	8,365	1,059	12.67%
Interest Bearing Deposits	41,121	38,515	2,606	6.77%
TOTAL DEPOSITS	50,545	46,880	3,665	7.82%
Federal Funds Purchased and Securities	427	625	-198	-31.68%
Repurchase Agreement				
Trading Liabilities	5	3	2	67.63%
Other Borrowed Money	2,561	2,176	385	17.71%
Other Liabilities	654	422	232	54.98%
TOTAL LIABILITIES	54,193	50,106	4,087	8.16%
Minority Interests in Unconsolidated Subsidiaries	0	7	-7	-100.00%



TENNESSEE STATE-CHARTERED BANKS
CONSOLIDATED BALANCE SHEET (IN MILLIONS)
As of June 30, 2016 and June 30, 2015

EQUITY CAPITAL	June 30, 2016	June 30, 2015	\$ Change	% Change
Preferred Stock	24	68	-44	-64.82%
Common Stock	366	367	-1	-0.31%
Surplus	3,323	3,172	151	4.76%
Undivided Profits	3,024	2,708	316	11.67%
Accumulated Other Comprehensive Income	119	3	116	3,866.67%
Other Equity Capital Components	-5	-5	0	0.00%
TOTAL EQUITY CAPITAL	6,851	6,313	538	8.51%
TOTAL LIABILITIES AND EQUITY	61,044	56,426	4,618	8.18%

TENNESSEE STATE-CHARTERED BANKS
CONSOLIDATED INCOME STATEMENT (IN MILLIONS)
Six months ending June 30, 2016 and June 30, 2015

	JUNE 30, 2016	JUNE 30, 2015
Interest Income	1181	1083
Interest Expenses	128	113
NET INTEREST INCOME	1053	970
Non-Interest Income	328	292
Non-Interest Expense	890	830
Provision for Loan and Lease Losses	32	26
Securities Gains/Losses	9	8
Pre-Tax Net Income	468	414
Applicable Income Taxes	117	108
NET OPERATING INCOME	351	306
Extraordinary Gains/Losses	0	0
NET INCOME	351	306
TOTAL CASH DIVIDENDS	140	132

TENNESSEE STATE-CHARTERED BANKS SUMMARY OF INDIVIDUAL BANKS (IN THOUSANDS)

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
City	Institution	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
ADAMSVILLE	Farmers & Merchants Bank	8,847	7,566	18,166	437	1,368	35,510	30,673	410	0	4,427	172
ASHLAND CITY	Community Bank & Trust	7,974	95,195	101,730	2,635	12,506	214,770	183,945	9,070	0	21,755	458
ATWOOD	Citizens Bank & Trust Company	2,731	13,388	9,127	60	593	25,779	23,342	63	0	2,374	48
BARTLETT	Bank of Bartlett	16,224	96,077	194,302	2,287	46,022	350,338	312,430	10,467	0	27,441	541
BELLS	Bank of Crockett	5,063	89,377	43,581	596	9,994	147,419	127,641	1,854	0	17,924	855
BOLIVAR	Merchants & Planters Bank	5,553	20,255	53,149	715	7,406	85,648	70,685	3,783	0	11,180	577
BRENTWOOD	Reliant Bank	19,821	144,494	664,238	8,688	62,702	882,567	647,902	129,295	0	105,370	5,006
BRIGHTON	Brighton Bank	3,694	4,152	45,252	411	2,615	55,302	52,506	160	0	2,636	181
BROWNSVILLE	INSOUTH Bank	10,058	39,098	218,979	1,718	20,430	286,847	255,760	1,312	0	29,775	945
BYRDSTOWN	People's Bank and Trust Company of Pickett County	10,781	15,453	81,900	1,897	6,591	112,828	98,197	804	0	13,827	602
CAMDEN	Apex Bank	25,463	12,951	313,118	4,811	39,734	386,455	293,880	22,606	0	69,969	7,887
CARTHAGE	Citizens Bank	18,525	345,900	186,252	1,975	9,350	558,052	461,586	1,763	0	94,703	6,349
CHATTANOOGA	First Volunteer Bank	134,240	62,134	668,610	7,277	59,031	916,738	810,582	9,799	0	96,357	6,227
CLARKSVILLE	F&M Bank	22,404	70,521	737,802	680	99,830	929,877	701,576	115,544	0	112,757	2,716
CLARKSVILLE	First Advantage Bank	13,868	48,448	407,712	6,322	30,200	493,906	383,935	47,794	0	62,177	1,241
CLARKSVILLE	Legends Bank	17,017	75,214	292,662	3,483	23,632	405,042	353,529	10,378	0	41,135	1,650
CLARKSVILLE	Cumberland Bank and Trust	19,020	17,161	134,066	1,751	9,452	177,948	157,281	1,119	0	19,548	821
CLEVELAND	Bank of Cleveland	21,437	6,090	199,476	2,900	14,373	238,476	198,863	1,304	0	38,309	1,679
CLEVELAND	Southern Heritage Bank	21,847	96,684	136,545	546	20,386	274,916	233,674	793	0	40,449	1,113
CLIFTON	Peoples Bank	6,501	14,088	127,416	1,479	17,322	163,848	142,837	6,580	0	14,431	630
COLLIERVILLE	BankTennessee	13,438	19,021	227,276	3,735	27,887	283,887	247,220	7,509	0	29,158	1,983
COLLIERVILLE	Landmark Community Bank	16,713	99,289	721,140	7,400	31,919	861,661	680,631	108,520	0	72,510	3,964
COLUMBIA	First Farmers and Merchants Bank	47,946	411,343	785,508	9,064	68,787	1,304,520	1,146,622	38,524	95	119,279	5,295
COLUMBIA	Community First Bank & Trust	74,097	65,851	297,664	3,724	40,373	474,261	421,835	3,317	0	49,109	1,875
COLUMBIA	Heritage Bank & Trust	10,011	15,315	81,328	1,556	6,355	111,453	96,804	3,902	0	10,747	407
COOKEVILLE	Bank of Putnam County	84,686	259,705	352,780	2,598	31,864	726,437	660,668	9,314	0	56,455	3,250
COOKEVILLE	Putnam 1st Mercantile Bank	4,866	23,423	88,827	1,442	4,419	120,093	105,061	441	0	14,591	857
CORDOVA	First Alliance Bank	5,574	6,914	98,324	1,163	9,927	119,576	102,846	3,473	0	13,257	161
DECATURVILLE	Decatur County Bank	4,782	27,170	50,560	563	7,177	89,126	74,785	6,425	0	7,916	344
DECHERD	Franklin County United Bank	11,110	8,924	54,341	2,121	4,635	76,889	66,723	249	0	9,917	246
DICKSON	Bank of Dickson	11,915	72,270	136,724	1,367	5,698	225,240	187,829	7,587	0	29,824	836
DICKSON	First Federal Bank	60,392	212,406	197,230	4,606	30,882	496,304	420,464	15,055	0	60,785	3,706

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
City	Institution	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
DICKSON	TriStar Bank	8,895	64,657	154,177	1,713	18,818	244,834	213,717	9,087	0	22,030	858
DUNLAP	Mountain Valley Bank	5,543	20,715	61,651	606	6,324	93,627	84,602	251	0	8,774	76
DUNLAP	Citizens Tri-County Bank	61,838	256,999	363,501	5,289	40,044	717,093	635,575	5,425	0	76,093	5,386
DYER	The Farmers & Merchants Bank	5,861	66,973	33,526	264	9,131	115,227	99,463	5,022	0	10,742	237
ELIZABETHTON	Citizens Bank	15,473	244,167	467,352	3,446	26,550	750,096	523,979	131,224	-356	95,249	5,504
ELIZABETHTON	Security Federal Bank	5,427	12,400	41,793	433	3,968	63,155	47,016	3,990	0	12,149	446
ERIN	Traditions First Bank	13,100	24,427	77,061	739	5,674	119,523	104,863	1,259	0	13,401	477
FARRAGUT	SouthEast Bank	62,802	-	846,421	4,704	43,922	948,441	856,756	7,090	0	84,595	3,520
FAYETTEVILLE	Bank of Lincoln County	11,849	13,918	98,783	1,359	7,396	130,587	111,543	740	0	18,304	709
FRANKEWING	Bank of Frankewing	40,218	10,431	159,817	3,376	12,231	219,321	189,791	3,539	0	25,991	923
FRANKLIN	Franklin Synergy Bank	71,724	909,531	1,567,536	14,253	75,415	2,609,953	2,251,224	98,115	0	260,614	14,260
GALLATIN	Sumner Bank & Trust	6,778	43,407	94,894	1,236	8,645	152,488	136,507	1,877	0	14,104	336
GATES	Gates Banking and Trust Company	1,249	28,036	10,883	306	2,506	42,368	36,496	437	0	5,435	222
GERMANTOWN	First Capital Bank	12,225	9,041	241,697	1,806	8,507	269,664	220,803	23,798	0	25,063	1,156
GLEASON	Bank of Gleason	8,990	71,891	35,679	983	2,886	118,463	91,436	1,397	0	25,630	863
GREENEVILLE	Andrew Johnson Bank	11,243	37,447	276,365	4,902	14,152	334,305	299,730	878	0	33,697	1,756
GREENEVILLE	American Patriot Bank	4,167	2,855	38,383	700	15,125	59,830	58,244	340	0	1,246	(111)
GREENEVILLE	Heritage Community Bank	4,201	10,207	68,186	1,481	7,920	89,033	81,209	349	0	7,475	263
GREENFIELD	Greenfield Banking Company	5,777	5,706	40,667	475	1,552	53,227	44,438	2,471	0	6,318	143
HALLS	Bank of Halls	1,611	32,104	34,535	531	5,692	73,411	63,088	1,574	0	8,749	466
HALLS	The Lauderdale County Bank	5,807	21,494	23,476	331	2,181	52,627	46,654	798	0	5,175	133
HARROGATE	Commercial Bank	96,398	122,537	657,061	6,783	77,634	946,847	791,938	60,589	0	94,320	3,418
HARTSVILLE	Citizens Bank	5,785	36,729	154,820	2,303	10,009	205,040	180,000	5,145	0	19,895	1,134
HENDERSON	Chester County Bank	18,495	24,342	26,956	269	1,425	70,949	62,866	495	0	7,588	319
HUNTINGDON	Carroll Bank and Trust	11,648	34,073	198,457	1,531	26,208	268,855	236,782	6,181	0	25,892	748
JACKSON	First South Bank	16,090	156,214	257,145	2,365	33,907	460,991	379,360	24,327	0	57,304	3,383
JACKSON	The Bank of Jackson	4,953	96,676	57,164	1,021	7,625	165,397	142,719	4,924	0	17,754	562
JAMESTOWN	Union Bank	7,946	71,940	116,756	1,773	18,115	212,984	187,665	1,579	0	23,740	569
JAMESTOWN	Progressive Savings Bank	28,291	23,359	194,520	1,458	34,809	279,521	252,074	2,031	0	25,416	871
JASPER	Tower Community Bank	13,677	20,499	94,317	656	20,756	148,593	130,979	4,437	0	13,177	428
JEFFERSON CITY	First Peoples Bank of Tennessee	10,180	25,569	96,395	958	9,691	140,877	123,354	4,880	0	12,643	67
JELICO	UBank	4,538	19,700	37,658	590	4,533	65,839	55,862	823	0	9,154	394
KINGSPORT	Bank of Tennessee	16,917	185,852	739,755	7,753	76,719	1,011,490	802,931	113,448	0	95,111	6,437
KINGSPORT	TriSummit Bank	25,107	59,074	245,976	2,467	26,066	353,756	288,454	31,086	0	34,216	792
KNOXVILLE	American Trust Bank of East Tennessee	3,485	31,544	99,942	1,333	6,291	139,929	114,889	6,578	0	18,462	1,178

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
City	Institution	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
KNOXVILLE	Mountain Commerce Bank	6,584	34,461	470,834	5,396	36,169	542,652	481,546	13,494	0	47,612	2,239
KNOXVILLE	Clayton Bank and Trust	44,828	58,101	708,478	19,064	30,303	822,646	628,650	45,357	0	148,639	14,126
LA FOLLETTE	Peoples Bank of the South	16,090	460	121,230	1,608	6,031	142,203	117,852	3,841	0	20,510	1,740
LAFAYETTE	Citizens Bank of Lafayette	31,627	318,997	465,754	6,998	43,244	852,624	682,194	76,811	0	93,619	4,518
LAFAYETTE	Macon Bank and Trust Company	17,506	206,433	145,078	2,578	15,691	382,130	322,177	11,134	0	48,819	1,550
LAWRENCEBURG	Lawrenceburg Federal Bank	3,523	-	51,202	205	4,005	58,525	43,733	1,181	0	13,611	210
LEBANON	Wilson Bank and Trust	51,053	404,554	1,592,772	22,797	102,331	2,127,913	1,882,694	10,513	0	234,706	12,050
LEBANON	CedarStone Bank	3,588	37,975	113,784	1,316	11,977	166,008	134,860	13,391	0	17,757	492
LEBANON	First Freedom Bank	75,732	1,000	316,112	4,204	41,478	430,118	371,040	18,621	0	40,457	1,115
LEWISBURG	First Commerce Bank	18,368	68,763	222,814	2,774	15,552	322,723	288,455	1,968	0	32,300	2,268
LEXINGTON	Community Bank	3,311	17,824	105,306	1,217	8,150	133,374	114,259	6,450	0	12,665	750
LIVINGSTON	Union Bank & Trust Company	6,545	15,102	58,082	960	3,673	82,442	71,700	341	0	10,401	862
LIVINGSTON	American Bank & Trust of the Cumberlands	27,938	9,607	168,569	1,936	11,854	216,032	192,040	6,581	0	17,411	1,416
LOBELVILLE	Bank of Perry County	4,439	13,777	127,806	1,610	8,287	152,699	129,555	8,091	0	15,053	1,357
MADISONVILLE	Volunteer Federal Savings Bank	34,391	1,466	123,833	551	13,437	172,576	135,536	11,971	0	25,069	326
MADISONVILLE	Peoples Bank of East Tennessee	8,105	40,823	138,714	1,179	16,720	203,183	178,078	1,978	0	23,127	799
MANCHESTER	Peoples Bank & Trust Company	9,091	22,781	50,161	818	6,218	87,433	75,827	1,472	0	10,134	282
MANCHESTER	Coffee County Bank	13,604	10,413	126,997	2,423	4,858	153,449	130,793	3,996	0	18,660	2,075
MARYVILLE	CBBC Bank	21,368	134,155	173,362	3,471	9,983	335,397	281,505	3,171	0	50,721	1,688
MARYVILLE	Foothills Bank & Trust	17,278	45,094	145,622	2,570	5,752	211,176	183,199	7,696	0	20,281	875
MC KENZIE	McKenzie Banking Company	42,303	20,223	60,552	1,557	6,955	128,476	107,230	839	0	20,407	3,566
MCMINNVILLE	Security Federal Savings Bank of McMinnville	15,147	39,597	129,915	1,343	8,630	191,946	164,964	8,203	0	18,779	665
MCMINNVILLE	Homeland Community Bank	14,339	46,425	71,257	2,120	11,977	141,878	126,406	1,319	0	14,153	390
MEMPHIS	Tri-State Bank of Memphis	9,011	22,887	76,004	1,713	4,092	110,281	94,017	963	0	15,301	268
MEMPHIS	Financial Federal Bank	19,378	2,500	455,466	6,939	8,470	478,875	347,219	65,575	0	66,081	4,692
MEMPHIS	Independent Bank	21,941	6,679	876,963	9,652	120,932	1,016,863	846,396	61,003	0	109,464	4,487
MEMPHIS	Paragon Bank	8,494	37,945	271,211	3,708	18,095	332,037	265,290	32,083	0	34,664	961
MEMPHIS	Triumph Bank	9,304	87,193	439,793	5,208	12,460	543,542	452,387	35,363	0	55,792	2,284
MILAN	The Bank of Milan	2,456	22,570	35,631	243	3,434	63,848	54,504	2,620	0	6,724	326
MILLINGTON	Patriot Bank	5,491	147,501	135,894	2,405	18,824	305,305	252,737	23,301	0	29,267	1,591
MOUNT JULIET	Southern Bank of Tennessee	25,079	25,329	168,876	1,442	9,314	227,156	197,655	4,237	0	25,264	1,010
MOUNTAIN CITY	Farmers State Bank	7,979	38,351	83,082	1,139	11,777	140,050	116,503	2,246	0	21,301	406
MOUNTAIN CITY	Johnson County Bank	20,406	30,957	62,205	729	6,858	119,697	98,412	3,727	0	17,558	766

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
City	Institution	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
NASHVILLE	Avenue Bank	39,030	162,418	982,130	11,126	51,729	1,224,181	967,330	135,776	0	121,075	4,439
NASHVILLE	FirstBank	75,504	557,866	2,072,553	23,734	232,430	2,914,619	2,526,007	93,598	0	295,014	31,238
NASHVILLE	Citizens Savings Bank and Trust Company	10,042	7,081	89,987	1,285	4,314	110,139	95,864	4,172	0	10,103	167
NASHVILLE	InsBank	21,921	22,823	275,051	3,341	20,805	337,259	263,026	37,081	0	37,152	1,300
NASHVILLE	Pinnacle Bank	468,620	1,139,703	7,153,843	61,412	966,530	9,667,284	7,329,421	1,077,147	123	1,260,593	60,339
NASHVILLE	Truxton Trust Company	29,758	97,429	276,098	2,948	16,922	417,259	318,337	56,807	0	42,115	2,423
NASHVILLE	Civic Bank & Trust	3,255	37,269	107,444	1,349	7,997	154,616	114,079	18,765	0	21,772	334
NASHVILLE	CapStar Bank	93,481	220,255	944,452	10,453	62,815	1,310,550	1,143,301	52,800	0	114,449	4,192
NEW TAZEWELL	Citizens Bank	3,415	9,089	143,960	1,705	7,847	162,606	146,866	903	0	14,837	857
NEWBERN	Security Bank	6,328	103,293	58,404	1,116	14,987	181,896	149,803	10,114	0	21,979	846
NOLENSVILLE	Peoples State Bank of Commerce	15,533	33,217	95,251	1,494	9,394	151,901	134,839	827	0	16,235	2,695
OAK RIDGE	TNBANK	6,995	38,560	142,492	1,638	11,110	197,519	157,693	20,849	0	18,977	476
OOLTEWAH	Millennium Bank	28,635	19,564	103,268	1,990	6,480	155,957	139,001	529	0	16,427	941
PARIS	Commercial Bank & Trust Co.	18,540	195,964	471,877	6,966	39,358	718,773	632,465	5,060	0	81,248	5,578
PARIS	Security Bank and Trust Company	5,272	29,990	155,935	598	11,765	202,364	181,477	1,951	0	18,936	1,957
PARSONS	Farmers Bank	13,777	2,783	16,150	263	1,291	33,738	28,760	204	0	4,774	104
PIGEON FORGE	Tennessee State Bank	36,120	117,928	421,147	6,991	59,312	627,516	532,844	31,390	0	63,282	1,353
PIGEON FORGE	SmartBank	71,712	142,874	773,209	4,719	48,376	1,031,452	894,196	39,597	0	97,659	2,945
PIKEVILLE	First Farmers & Commercial Bank	10,766	36,329	59,337	803	7,137	112,766	100,266	192	0	12,308	141
PIPERTON	The Bank of Fayette County	19,798	54,029	347,586	4,239	25,946	443,120	383,539	22,726	0	36,855	2,492
PORTLAND	The Farmers Bank	16,087	158,356	374,336	5,402	30,817	574,194	480,440	27,686	0	66,068	3,683
PORTLAND	Volunteer State Bank	25,498	27,212	502,442	4,091	52,789	603,850	423,905	123,204	0	56,741	7,089
RIPLEY	Bank of Ripley	9,226	112,127	79,006	1,123	11,753	210,989	176,102	2,236	0	32,651	625
ROGERSVILLE	Civis Bank	14,469	9,953	71,712	1,047	12,505	107,592	101,116	2,164	0	4,312	(384)
ROGERSVILLE	First Community Bank of East Tennessee	24,359	25,725	111,422	2,149	17,331	176,688	140,394	15,659	0	20,635	484
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	10,958	118,568	63,186	980	10,674	202,406	167,537	553	0	34,316	984
SARDIS	The Peoples Bank	2,153	16,029	53,963	569	3,296	74,872	66,332	918	0	7,622	369
SAVANNAH	The Hardin County Bank	8,279	52,817	357,805	4,186	31,451	446,166	391,689	15,796	0	38,681	2,396
SAVANNAH	Central Bank	10,444	20,824	61,249	1,602	7,083	97,998	89,142	820	0	8,036	370
SELMER	Home Banking Company	6,347	42,905	36,484	348	6,108	91,496	81,012	1,128	0	9,356	277
SEVIERVILLE	Sevier County Bank	39,212	36,915	194,188	2,893	47,567	314,989	293,931	2,049	0	19,009	267
SHELBYVILLE	First Community Bank of Bedford County	30,856	61,682	309,518	2,279	58,639	458,416	278,259	126,604	0	53,553	2,537
SHELBYVILLE	Peoples Bank of Middle Tennessee	5,462	18,701	99,665	1,496	6,899	129,231	112,822	1,336	0	15,073	694

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
City	Institution	Cash	Invest	Total Loans	Loan Loss Reserve	Other Assets	Total Assets	Deposits	Other Liabilities	MIUS	Capital	Net Income
SPRING CITY	First Bank of Tennessee	22,522	17,508	244,423	2,294	12,322	294,481	239,436	24,231	0	30,814	1,972
TAZEWELL	First Century Bank	21,448	24,176	229,424	3,265	19,635	291,418	258,259	3,205	0	29,954	848
TREZEVANT	Centennial Bank	25,074	15,575	305,791	5,523	22,208	363,125	309,695	16,954	0	36,476	1,732
TULLAHOMA	American City Bank of Tullahoma	4,716	20,799	234,029	2,338	16,722	273,928	211,014	7,415	0	55,499	3,180
TULLAHOMA	Southern Community Bank	8,799	37,000	172,537	1,727	13,783	230,392	203,394	6,745	0	20,253	770
TULLAHOMA	First Vision Bank of Tennessee	4,985	33,325	140,537	1,943	10,791	187,695	164,318	1,437	0	21,940	941
UNION CITY	Reelfoot Bank	16,128	48,271	82,489	2,413	8,895	153,370	135,076	1,539	0	16,755	438
WARTBURG	Citizens First Bank	10,805	22,378	115,377	1,164	11,613	159,009	139,875	4,708	0	14,426	428
WAYNESBORO	The Bank of Waynesboro	15,747	19,163	108,216	1,814	9,565	150,877	129,674	764	0	20,439	910
WAYNESBORO	Wayne County Bank	14,717	32,841	229,465	4,747	33,119	305,395	254,804	10,515	0	40,076	1,600
WINCHESTER	Citizens Community Bank	14,225	37,015	142,330	3,597	13,727	203,700	176,846	2,547	0	24,307	1,655
WOODLAND MILLS	The Farmers Bank	12,709	14,800	1,480	20	1,544	30,513	14,671	9	0	15,833	(127)
	TOTAL	3,334,910	11,313,463	42,743,697	499,253	4,150,799	61,043,616	50,547,589	3,645,645	(138)	6,850,520	351,250

(A) Cash - Includes currency/coin, both interest-bearing and non-interest bearing balances due from depository institutions

(B) Investments - Investments owned: Includes securities, federal funds sold, and securities purchased under agreements to resell

(C) Total Loans - Includes all loans and lease financing receivables, net of unearned income

(D) Loan Loss Reserve - Allowance for Loan and Lease Losses

(E) Other Assets - Includes premises and fixed assets, trading assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customer's liability to bank on acceptances outstanding, intangible assets, and assets not reportable elsewhere.

(F) Deposits - Includes all interest bearing and non-interest bearing customer deposits held.

(G) Other Liabilities - Includes federal funds purchased, securities sold under agreements to repurchase, demand notes issued to U.S. Treasury, mortgage indebtedness, obligations under capital leases, bank's liability on acceptances outstanding, and all other liabilities

(H) Minority Interest in Unconsolidated Subsidiaries

(I) Equity Capital - Includes preferred stock, common stock, surplus, undivided profits, and accumulated other comprehensive income

(J) Net Income - Income earned after all expenses, taxes, and extraordinary items



TENNESSEE STATE-CHARTERED BANKS KEY BANK RATIOS
As of June 30, 2016

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO (%)	NET LOANS TO ASSETS RATIO (%)	ALLOWANCE FOR LOAN LOSSES RATIO (%)	CORE CAPITAL (LEVERAGE) RATIO (%)	NET LOANS TO DEPOSITS RATIO (%)	NET INCOME TO AVG TOTAL EQUITY RATIO (%)
ADAMSVILLE	Farmers & Merchants Bank	0.96	49.93	2.41	11.92	57.80	7.95
ASHLAND CITY	Community Bank & Trust	0.43	46.14	2.59	10.21	53.87	4.33
ATWOOD	Citizens Bank & Trust Company	0.37	35.17	0.66	9.11	38.84	4.09
BARTLETT	Bank of Bartlett	0.31	54.81	1.18	6.44	61.46	4.09
BELLS	Bank of Crockett	1.22	29.16	1.37	11.31	33.68	9.93
BOLIVAR	Merchants & Planters Bank	1.34	61.22	1.35	12.44	74.18	10.33
BRENTWOOD	Reliant Bank	1.14	74.28	1.31	10.59	101.18	9.91
BRIGHTON	Brighton Bank	0.67	81.08	0.91	4.76	85.40	14.38
BROWNSVILLE	INSOUTH Bank	0.65	75.74	0.78	9.13	84.95	6.39
BYRDSTOWN	People's Bank and Trust Company of Pickett County	1.07	70.91	2.32	11.80	81.47	8.92
CAMDEN	Apex Bank	4.12	79.78	1.54	16.34	104.91	22.65
CARTHAGE	Citizens Bank	2.30	33.02	1.06	17.04	39.92	13.53
CHATTANOOGA	First Volunteer Bank	1.38	72.14	1.09	10.21	81.59	13.16
CLARKSVILLE	F&M Bank	0.61	79.27	0.09	9.78	105.07	4.87
CLARKSVILLE	First Advantage Bank	0.51	81.27	1.55	12.49	104.55	3.97
CLARKSVILLE	Legends Bank	0.81	71.39	1.19	10.14	81.80	8.16
CLARKSVILLE	Cumberland Bank and Trust	0.95	74.36	1.31	11.03	84.13	8.56
CLEVELAND	Bank of Cleveland	1.42	82.43	1.45	15.95	98.85	8.87
CLEVELAND	Southern Heritage Bank	0.84	49.47	0.40	11.49	58.20	5.60
CLIFTON	Peoples Bank	0.79	76.86	1.16	8.89	88.17	8.95
COLLIERVILLE	BankTennessee	1.41	78.74	1.64	9.24	90.42	13.78
COLLIERVILLE	Landmark Community Bank	0.93	82.83	1.03	8.18	104.86	11.16
COLUMBIA	First Farmers and Merchants Bank	0.83	59.52	1.15	8.27	67.72	8.94
COLUMBIA	Community First Bank & Trust	0.80	61.98	1.25	9.08	69.68	7.81
COLUMBIA	Heritage Bank & Trust	0.76	71.57	1.91	9.94	82.41	8.46
COOKEVILLE	Bank of Putnam County	0.89	48.21	0.74	7.85	53.00	11.51
COOKEVILLE	Putnam 1st Mercantile Bank	1.39	72.76	1.62	11.33	83.18	12.23
CORDOVA	First Alliance Bank	0.27	81.25	1.18	10.52	94.47	2.45
DECATURVILLE	Decatur County Bank	0.76	56.10	1.11	8.55	66.85	9.06

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO (%)	NET LOANS TO ASSETS RATIO (%)	ALLOWANCE FOR LOAN LOSSES RATIO (%)	CORE CAPITAL (LEVERAGE) RATIO (%)	NET LOANS TO DEPOSITS RATIO (%)	NET INCOME TO AVG TOTAL EQUITY RATIO (%)
DECHERD	Franklin County United Bank	0.64	67.92	3.90	11.23	78.26	5.03
DICKSON	Bank of Dickson	0.75	60.09	1.00	12.59	72.06	5.68
DICKSON	First Federal Bank	1.51	38.81	2.34	10.43	45.81	12.63
DICKSON	TriStar Bank	0.71	62.27	1.11	8.55	71.34	7.99
DUNLAP	Mountain Valley Bank	0.16	65.20	0.98	9.38	72.16	1.74
DUNLAP	Citizens Tri-County Bank	1.51	49.95	1.46	9.15	56.36	14.78
DYER	The Farmers & Merchants Bank	0.48	28.87	0.79	10.00	33.44	4.63
ELIZABETHTON	Citizens Bank	1.56	61.85	0.74	11.94	88.54	11.88
ELIZABETHTON	Security Federal Bank	1.40	65.49	1.04	18.63	87.97	6.73
ERIN	Traditions First Bank	0.81	63.86	0.96	10.81	72.78	7.31
FARRAGUT	SouthEast Bank	0.75	88.75	0.56	8.83	98.24	8.50
FAYETTEVILLE	Bank of Lincoln County	1.07	74.60	1.38	13.43	87.34	7.93
FRANKEWING	Bank of Frankewing	0.85	71.33	2.11	11.82	82.43	7.25
FRANKLIN	Franklin Synergy Bank	1.21	59.51	0.91	9.62	69.00	12.65
GALLATIN	Sumner Bank & Trust	0.43	61.42	1.30	8.54	68.61	4.91
GATES	Gates Banking and Trust Company	1.06	24.96	2.81	11.57	28.98	8.52
GERMANTOWN	First Capital Bank	0.90	88.96	0.75	9.67	108.64	9.43
GLEASON	Bank of Gleason	1.47	29.29	2.76	19.90	37.95	6.87
GREENEVILLE	Andrew Johnson Bank	1.05	81.20	1.77	9.76	90.57	10.69
GREENEVILLE	American Patriot Bank	-0.36	62.98	1.82	2.01	64.70	-17.24
GREENEVILLE	Heritage Community Bank	0.59	74.92	2.17	8.28	82.14	7.19
GREENFIELD	Greenfield Banking Company	0.53	75.51	1.17	11.89	90.45	4.57
HALLS	Bank of Halls	1.27	46.32	1.54	10.75	53.90	11.10
HALLS	The Lauderdale County Bank	0.51	43.98	1.41	9.31	49.61	5.27
HARROGATE	Commercial Bank	0.77	68.68	1.03	9.84	82.11	7.59
HARTSVILLE	Citizens Bank	1.16	74.38	1.49	10.00	84.73	11.83
HENDERSON	Chester County Bank	0.89	37.61	1.00	10.08	42.45	8.67
HUNTINGDON	Carroll Bank and Trust	0.55	73.25	0.77	9.19	83.17	5.87
JACKSON	First South Bank	1.50	55.27	0.92	10.03	67.16	12.01
JACKSON	The Bank of Jackson	0.71	33.94	1.79	10.02	39.34	6.61
JAMESTOWN	Union Bank	0.53	53.99	1.52	10.77	61.27	4.90
JAMESTOWN	Progressive Savings Bank	0.64	69.07	0.75	8.98	76.59	7.04
JASPER	Tower Community Bank	0.59	63.03	0.70	8.60	71.51	7.31
JEFFERSON CITY	First Peoples Bank of Tennessee	0.09	67.74	0.99	8.79	77.37	1.07
JELICO	UBank	1.20	56.30	1.57	13.21	66.36	8.76

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO (%)	NET LOANS TO ASSETS RATIO (%)	ALLOWANCE FOR LOAN LOSSES RATIO (%)	CORE CAPITAL (LEVERAGE) RATIO (%)	NET LOANS TO DEPOSITS RATIO (%)	NET INCOME TO AVG TOTAL EQUITY RATIO (%)
KINGSPORT	Bank of Tennessee	1.32	72.37	1.05	9.09	91.17	14.03
KINGSPORT	TriSummit Bank	0.46	68.84	1.00	9.03	84.42	4.73
KNOXVILLE	American Trust Bank of East Tennessee	1.69	70.47	1.33	12.95	85.83	13.23
KNOXVILLE	Mountain Commerce Bank	0.87	85.77	1.15	8.86	96.65	9.69
KNOXVILLE	Clayton Bank and Trust	3.55	83.80	2.69	18.26	109.67	19.48
LA FOLLETTE	Peoples Bank of the South	2.50	84.12	1.33	14.63	101.50	17.27
LAFAYETTE	Citizens Bank of Lafayette	1.07	53.81	1.50	9.76	67.25	9.99
LAFAYETTE	Macon Bank and Trust Company	0.83	37.29	1.78	12.30	44.23	6.51
LAWRENCEBURG	Lawrenceburg Federal Bank	0.73	87.14	0.40	23.49	116.61	3.11
LEBANON	Wilson Bank and Trust	1.17	73.78	1.43	10.83	83.39	10.57
LEBANON	CedarStone Bank	0.59	67.75	1.16	10.51	83.40	5.62
LEBANON	First Freedom Bank	0.62	72.52	1.33	9.93	84.06	6.04
LEWISBURG	First Commerce Bank	1.44	68.18	1.25	9.81	76.28	14.43
LEXINGTON	Community Bank	1.17	78.04	1.16	9.23	91.10	12.25
LIVINGSTON	Union Bank & Trust Company	2.09	69.29	1.65	12.30	79.67	16.62
LIVINGSTON	American Bank & Trust of the Cumberlands	1.35	77.13	1.15	8.15	86.77	16.62
LOBELVILLE	Bank of Perry County	1.79	82.64	1.26	9.87	97.41	18.12
MADISONVILLE	Volunteer Federal Savings Bank	0.38	71.44	0.45	14.48	90.96	2.62
MADISONVILLE	Peoples Bank of East Tennessee	0.78	67.69	0.85	11.06	77.23	7.08
MANCHESTER	Peoples Bank & Trust Company	0.64	56.44	1.63	11.32	65.07	5.68
MANCHESTER	Coffee County Bank	2.83	81.18	1.91	12.30	95.25	22.74
MARYVILLE	CBBC Bank	1.02	50.65	2.00	14.86	60.35	6.35
MARYVILLE	Foothills Bank & Trust	0.84	67.74	1.76	9.51	78.09	8.76
MC KENZIE	McKenzie Banking Company	5.61	45.92	2.57	15.94	55.02	39.26
MCMINNVILLE	Security Federal Savings Bank of McMinnville	0.70	66.98	1.03	9.77	77.94	7.17
MCMINNVILLE	Homeland Community Bank	0.55	48.73	2.98	9.57	54.69	5.70
MEMPHIS	Tri-State Bank of Memphis	0.50	67.37	2.25	12.49	79.02	3.62

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO (%)	NET LOANS TO ASSETS RATIO (%)	ALLOWANCE FOR LOAN LOSSES RATIO (%)	CORE CAPITAL (LEVERAGE) RATIO (%)	NET LOANS TO DEPOSITS RATIO (%)	NET INCOME TO AVG TOTAL EQUITY RATIO (%)
MEMPHIS	Financial Federal Bank	2.06	93.66	1.52	14.06	129.18	14.51
MEMPHIS	Independent Bank	0.91	85.29	1.10	9.55	102.47	8.38
MEMPHIS	Paragon Bank	0.61	80.56	1.37	10.35	100.83	5.65
MEMPHIS	Triumph Bank	0.86	79.95	1.18	9.91	96.06	8.44
MILAN	The Bank of Milan	1.03	55.43	0.68	10.05	64.93	10.09
MILLINGTON	Patriot Bank	1.10	43.72	1.77	8.94	52.82	11.28
MOUNT JULIET	Southern Bank of Tennessee	0.91	73.71	0.85	10.33	84.71	8.19
MOUNTAIN CITY	Farmers State Bank	0.58	58.51	1.37	14.39	70.34	3.84
MOUNTAIN CITY	Johnson County Bank	1.27	51.36	1.17	14.11	62.47	8.95
NASHVILLE	Avenue Bank	0.74	79.32	1.13	9.89	100.38	7.53
NASHVILLE	FirstBank	2.17	70.29	1.15	8.02	81.11	22.23
NASHVILLE	Citizens Savings Bank and Trust Company	0.31	80.54	1.43	9.21	92.53	3.41
NASHVILLE	InsBank	0.82	80.56	1.21	11.35	103.30	8.00
NASHVILLE	Pinnacle Bank	1.34	73.37	0.86	8.29	96.77	9.84
NASHVILLE	Truxton Trust Company	1.15	65.46	1.07	9.90	85.81	11.84
NASHVILLE	Civic Bank & Trust	0.47	68.62	1.26	14.58	93.00	3.14
NASHVILLE	CapStar Bank	0.69	71.27	1.11	8.91	81.69	7.53
NEW TAZEWELL	Citizens Bank	1.02	87.48	1.18	8.72	96.86	12.05
NEWBERN	Security Bank	0.97	31.49	1.91	11.34	38.24	8.00
NOLENSVILLE	Peoples State Bank of Commerce	3.61	61.72	1.57	10.54	69.53	39.10
OAK RIDGE	TNBANK	0.49	71.31	1.15	8.54	89.32	5.11
OOLTEWAH	Millennium Bank	1.31	64.94	1.93	10.95	72.86	11.59
PARIS	Commercial Bank & Trust Co.	1.58	64.68	1.48	10.26	73.51	14.16
PARIS	Security Bank and Trust Company	1.99	76.76	0.38	9.27	85.60	20.89
PARSONS	Farmers Bank	0.60	47.09	1.63	13.50	55.24	4.42
PIGEON FORGE	Tennessee State Bank	0.43	66.00	1.66	9.95	77.73	4.33
PIGEON FORGE	SmartBank	0.59	74.51	0.61	9.70	85.94	6.08
PIKEVILLE	First Farmers & Commercial Bank	0.25	51.91	1.35	10.89	58.38	2.27
PIPERTON	The Bank of Fayette County	1.24	77.48	1.22	8.71	89.52	14.01
PORTLAND	The Farmers Bank	1.28	64.25	1.44	10.87	76.79	11.46
PORTLAND	Volunteer State Bank	2.77	82.53	0.81	9.92	117.56	25.12
RIPLEY	Bank of Ripley	0.59	36.91	1.42	13.65	44.23	3.92
ROGERSVILLE	Civis Bank	-0.71	65.68	1.46	3.95	69.89	-17.30
ROGERSVILLE	First Community Bank of East Tennessee	0.55	61.85	1.93	11.39	77.83	4.77

CITY	INSTITUTION	NET INCOME TO AVG TOTAL ASSETS RATIO (%)	NET LOANS TO ASSETS RATIO (%)	ALLOWANCE FOR LOAN LOSSES RATIO (%)	CORE CAPITAL (LEVERAGE) RATIO (%)	NET LOANS TO DEPOSITS RATIO (%)	NET INCOME TO AVG TOTAL EQUITY RATIO (%)
RUTLEDGE	Citizens Bank and Trust Company of Grainger County	0.98	30.73	1.55	16.49	37.13	5.79
SARDIS	The Peoples Bank	0.99	71.31	1.05	10.12	80.50	10.04
SAVANNAH	The Hardin County Bank	1.07	79.26	1.17	8.45	90.28	12.91
SAVANNAH	Central Bank	0.74	60.87	2.62	8.07	66.91	9.43
SELMER	Home Banking Company	0.60	39.49	0.95	9.43	44.61	6.09
SEVIERVILLE	Sevier County Bank	0.17	60.73	1.49	6.07	65.08	2.84
SHELBYVILLE	First Community Bank of Bedford County	1.18	67.02	0.74	10.74	110.41	9.72
SHELBYVILLE	Peoples Bank of Middle Tennessee	1.18	75.96	1.50	12.25	87.01	9.30
SPRING CITY	First Bank of Tennessee	1.34	82.22	0.94	10.32	101.12	12.97
TAZEWELL	First Century Bank	0.60	77.61	1.42	9.66	87.57	5.76
TREZEVANT	Centennial Bank	0.95	82.69	1.81	9.42	96.96	10.33
TULLAHOMA	American City Bank of Tullahoma	2.33	84.58	1.00	17.61	109.80	11.79
TULLAHOMA	Southern Community Bank	0.72	74.14	1.00	8.08	83.98	7.77
TULLAHOMA	First Vision Bank of Tennessee	1.02	73.84	1.38	11.64	84.35	8.66
UNION CITY	Reelfoot Bank	0.57	52.21	2.93	10.77	59.28	5.32
WARTBURG	Citizens First Bank	0.54	71.83	1.01	8.94	81.65	6.01
WAYNESBORO	The Bank of Waynesboro	1.19	70.52	1.68	13.22	82.05	8.92
WAYNESBORO	Wayne County Bank	1.06	73.58	2.07	13.06	88.19	8.15
WINCHESTER	Citizens Community Bank	1.63	68.11	2.53	11.76	78.45	13.96
WOODLAND MILLS	The Farmers Bank	-12.24	4.78	1.35	77.02	9.95	-31.02
	Median Including All Institutions	0.89	68.62	1.30	10.12	81.59	8.44



**TENNESSEE STATE-CHARTERED TRUST COMPANIES
CONSOLIDATED BALANCE SHEET (IN THOUSANDS)**

	June 30, 2016	June 30, 2015	\$ Change	% Change
ASSETS				
Cash and Due from Banks	46,974	43,478	3,496	8.04%
Securities and Investments	3,073	1,325	1,748	131.92%
Premises and Fixed Assets	2,067	1,785	282	15.8%
Intangible Assets	34,891	37,416	-2,525	-6.75%
Other Assets	14,224	15,206	-982	-6.46%
TOTAL ASSETS	101,229	99,210	2,019	2.04%
LIABILITIES				
Other Liabilities	17,225	20,628	-3,403	-16.5%
TOTAL LIABILITIES	17,225	20,628	-3,403	-16.5%
EQUITY CAPITAL				
Common Stock	8,151	6,052	2,099	34.68%
Less: Treasury Stock	1,301	1,301		
Surplus	4,890	4,318	572	13.25%
Additional Paid-in Capital	63,232	63,262	-30	-0.05%
Undivided Profits	9,032	6,251	2,781	44.49%
Unrealized Gains and (Losses)	0	0		
TOTAL EQUITY CAPITAL	84,004	78,582	5,422	6.90%
TOTAL LIABILITIES AND EQUITY CAPITAL	101,229	99,210	2,019	2.04%

Note: Guardianship and Trust Company is not included in the figures above.



**TENNESSEE STATE-CHARTERED TRUST COMPANIES
CONSOLIDATED INCOME STATEMENT (IN THOUSANDS)**

	June 30, 2016	June 30, 2015	\$ Change	% Change
Fee Income	58,848	62,988	-4,140	-6.57%
NET FEE INCOME	58,848	62,988	-4,140	-6.57%
Other Income	22	33	-11	-33.33%
TOTAL INCOME	58,870	63,021	-4,151	-6.59%
Operating Expenses	42,276	40,846	1,430	3.50%
Advisor/Consulting Fees	8,593	11,265	-2,672	-23.72%
Inter-Company Expense (Credit)	678	998	-320	-32.06%
Securities (Gains) and Losses		13	-13	
TOTAL OPERATING EXPENSES	51,547	53,122	-1,575	29.65%
Pre-Tax Net Operating Income	7,323	9,899	-2,576	-26.02%
Less:				
Applicable Income Taxes	1,662	1,213	449	-37.02%
Non-Operating Expenses	2,160	4,413	-2,253	-51.05%
NET OPERATING INCOME	3,501	4,273	-772	-18.06%
Extraordinary Gains/Losses	0	0	0	0.00%
NET INCOME	3,501	4,273	-772	-18.07%

Note: Guardianship and Trust Company is not included in the figures above.



**TENNESSEE STATE-CHARTERED TRUST COMPANIES
STATEMENT OF CONDITION (IN THOUSANDS)**

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Institution	City	Cash	Invest	Other Assets	Total Assets	Other Liabilities	Equity Capital	Net Income	TAUM	Common/Collective Funds	No. of Funds
Advocacy Trust of Tennessee, LLC	Chattanooga	454	750	294	1,498	155	1,343	181	248,377	0	0
First Mercantile Trust Company	Cordova	37,667	0	33,015	70,682	6,539	64,144	1,645	3,507,510	2,894,426	139
Meridian Trust and Investment	Knoxville	287	549	708	1,544	94	1,450	748	596,013	0	0
The Trust Company of Knoxville	Knoxville	2,981	0	550	3,531	733	2,798	528	2,572,181	47,478	1
Argent Trust and Investment	Nashville	529	0	7,367	7,896	3,312	4,584	206	5,842,172	0	0
Diversified Trust Company	Memphis	3,278	0	5,074	8,352	4,769	3,582	0	5,749,289	1,598,588	13
Cumberland Trust and Investment	Nashville	211	0	3,872	4,083	977	3,106	506	2,313,691	0	0
Equitable Trust Company	Nashville	1,132	1,022	230	2,384	605	1,779	354	2,143,554	0	0
Pendleton Square Trust Co., LLC	Nashville	435	752	72	1,259	41	1,218	-667	52,043	0	0
Totals		46,974	3,073	51,182	101,229	17,225	84,004	3,501	23,024,83	4,540,492	153

Cash - Includes currency and coin, and both interest bearing and non-interest bearing balances due from depository institutions

Investments - Investments Owned

Other Assets - Includes premises and fixed assets, investments in unconsolidated subsidiaries, intangible assets, and all other assets

Total Assets - The sum of (A) through (C)

Other Liabilities - Includes all liabilities

Equity Capital - Includes preferred stock, common stock, treasury stock, debt capital, surplus, undivided profits, and all other capital reserves net of any unrealized holding gains (losses) on available for sale securities

Net Income - Income earned after all expenses, taxes, and extraordinary items

Total Assets Under Management - Total Discretionary and Non-Discretionary Assets Under Management and/or Custody inclusive of funds held in Common/Collective Funds

Common/Collective Funds - Assets held in Common and/or Collective Investment Funds trustee by company at market value

Number of Funds - Number of Common/Collective Funds

Note: Guardianship and Trust Company is not included.



COMPLIANCE DIVISION

The Department's Compliance Division is responsible for the licensing and examination of certain non-depository financial institutions and individuals doing business in Tennessee that are subject by law to regulatory oversight by the Department:

- Check Cashing Companies
- Deferred Presentment Services Providers
- Flexible Credit Lenders
- Industrial Loan and Thrift Companies
- Insurance Premium Finance Companies
- Home Equity Conversion (Reverse) Mortgage Lenders
- Money Transmitters
- Residential Mortgage Lenders, Brokers and Servicers
- Residential Mortgage Loan Originators
- Title Pledge Lenders



ADMINISTRATION

Mike Igney, Assistant Commissioner
Melody Johnson, Financial Analyst

Melanie Harper, Administrative Services Assistant
Joshua Mahaffey, Administrative Services Assistant

LICENSING

David Axford, JD, Chief Administrator
Carl Scott, CFSA, Director of Licensing
Stephen Henley, CPA, Director of Licensing
Luke Schroer, Financial Analyst

Harvie Franklin, III, Money Transmitter Compliance Officer
Mandy Heady, Financial Analyst
Steffany Daniel, Administrative Services Assistant 5

EXAMINATION

Nicole Chamblee, CFE, Chief Administrator
Jack Lay, Regulatory Compliance Director
David Kelly, Compliance Examination Supervisor

Patrick Somers, Compliance Examination Supervisor
Cathy Wilkerson, Compliance Examination Supervisor

EXAMINERS

Robert Campbell, Loan Examiner
Steve Cranor, Loan Examiner
Robert Doyle, Loan Examiner
Stephanie Dunn, Loan Examiner
Grant Gouveia, CFE, Loan Examiner
Chad Haney, Loan Examiner
Elizabeth Harrell, Loan Examiner
Kevin Hicks, Loan Examiner

Robert Hornbeak, Loan Examiner
Kerry Rial, Loan Examiner
Keith Sharp, Loan Examiner
James Simmons, Loan Examiner
Calvin Stout, Loan Examiner
Robert Walker, Loan Examiner
Mike Wiggins, Loan Examiner
Jim Worley, Loan Examiner

Personnel Designation: CPA, Certified Public Accountant, JD, Doctor of Jurisprudence, CFSA, Certified Financial Services Auditor, CFE, Certified Fraud Examiner



Nashville Office Compliance Division



Knoxville Compliance Examiners



Knoxville Compliance Examiners

REGULATORY OVERSIGHT

In order to lawfully engage in business in Tennessee, each institution or individual must first obtain a license, certificate of registration or authorization from the Department. All such applications are processed by the Compliance Division, which ensures that each applicant meets the minimum qualifications required by law in order to engage in such business.

Through a comprehensive examination program, licensed and registered entities are subject to periodic examination by the Compliance Division's examiners. Examinations are designed to test and enforce compliance with Tennessee laws, as well as certain federal laws and regulations such as the Real Estate Settlement Procedures Act and the Truth in Lending Act. These laws and regulations were promulgated in order to protect consumers by, among other things, limiting the amount of interest, loan charges and insurance charges that may be imposed, as well as providing for specific disclosures to the consumer regarding loan provisions. The Compliance Division's examiners also investigate consumer complaints and allegations of consumer fraud and usury.

Through 3,178 examinations and other methods of regulatory oversight of non-depository institutions, the Department returned refunds in the amount of \$470,767.35 to consumers for the calendar year ending December 31, 2016. In addition, administrative enforcement actions initiated by the Department resulted in civil monetary penalties of \$116,298.30.

FISCAL YEAR HIGHLIGHTS

- **RISK-FOCUSED EXAMINATION PROGRAM**

The Compliance Division has established a risk focused regulatory program for non-depository financial institutions that bases regulatory scrutiny on compliance benchmarks. The primary focus was to develop a method of identifying characteristics within a licensed entity that would allow for an allocation of exam resources based on the potential risk of harm to the consumer. Companies showing a higher potential risk to consumers and a need for greater regulatory scrutiny would be identified and examined with a greater frequency, whereas companies showing a lower potential risk to consumers may be examined on a less frequent basis.

The risk program ensures compliance with governing law, but also considers various risk factors that have been determined are most relative to the potential for consumer harm such as prior exam results, repeat violations leading to refunds, management experience, employee training, and whether appropriate risk management systems are in place.

This rating system will allow the Department to focus on licensees that appear to have the greatest risk. The goal of the Compliance Division is to assist management in reducing risk to consumers and helping licensees to be more successful. The risk-focused regulatory program continues to evolve. The intent is to continually improve the program and provide increased granularity to licensees about identified risks.



- **SUPERVISION FEE**

Public Chapter 736 of the Tennessee Public Acts of 2014 amended parts of Title 45 of the Tennessee Code relative to non-depository financial institutions regulated by the Compliance Division. Public Chapter 736 changed the way that licensees and registrants regulated by the Compliance Division are assessed licensing, registration and examination fees, combining those fees into an annual supervision fee. Each person regulated by the Compliance Division, except mortgage loan originators, is assessed an annual supervision fee, which is determined by the Commissioner on an annual basis based on the Department's budget as approved by the Administration and the General Assembly. The supervision fee includes the annual licensing or registration fee and the costs for a routine examination or investigation. Licensees and

registrants continue to pay the actual expenses for out-of-state examinations and inspections. The supervision fee is paid with the filing of an application, whether a new or renewal application, and payment of the fee is a condition of obtaining the issuance or renewal of the license or registration. Mortgage loan originators are not assessed a supervision fee, but continue to pay the same licensing and renewal fees as previously required. The supervision fee was phased in at different times during 2015 and is in full effect. The new fee structure will assist the Department in implementing its risk-focused examination program for non-depository institutions, furthering the Department's overarching goal of establishing an appropriate level of regulatory oversight to fulfill the Department's obligations to consumers, but doing so in a manner so as to permit financial institutions to contribute to economic progress and to serve the needs of consumers.

CHECK CASHERS

Check cashers, for a fee, provide currency in exchange for a payment instrument, such as a check. They are licensed under the Check Cashing Act of 1997, Tenn. Code Ann. §§ 45-18-101, et seq. Licensed check cashers may charge fees as follows: in general, no more than 5% of the face amount of the payment instrument or \$5, whichever is greater; for payment instruments for state public assistance or federal social security benefits, no more than 3% of the face amount or \$2, whichever is greater; and for personal checks or money orders, no more than 10% of the face amount or \$5, whichever is greater.



The requirements for licensure include a minimum net worth of \$25,000 for each location. Licenses under the Check Cashing Act expire on March 31 of each year and may be renewed by the filing of a renewal application on or before March 1. As of December 31, 2016, there were 575 check cashing locations licensed with the Department. For calendar year 2016, the Department conducted 445 examinations of check cashing businesses, resulting in refunds totaling \$1,056.53.

DEFERRED PRESENTMENT SERVICES PROVIDERS

Licensees under the Deferred Presentment Services Act, Tenn. Code Ann. §§ 45-17-101, et seq., may engage in the business of deferred presentment services. A deferred presentment service is a transaction involving, in exchange for a fee, the acceptance and payment by the licensee of a check and the holding of the check for a period of time prior to presentment for payment. Licensees may charge a fee of not more than 15% of the face amount of the check, and may not have outstanding more than 2 checks from any 1 customer at the same time, with the aggregate face value of all outstanding checks from any one customer not to exceed \$500.

The requirements for licensure include having a minimum net worth of \$25,000 for each location. Licenses under the Deferred Presentment Services Act expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing

System (NMLS), between November 1 and December 31. As of December 31, 2016, there were 1,036 deferred presentment service locations licensed with the Department. For calendar year 2016, the Department conducted 873 examinations of deferred presentment service businesses, resulting in refunds totaling \$42,254.00.

- **ANNUAL REPORT INFORMATION**

By December 31st of each year, licensees are required by T.C.A. § 45-17-119 to file with the Commissioner of Financial Institutions an Annual Report covering the licensee’s business activities as of the close of business on December 31st of the prior year. These reports include a balance sheet, statement of income and expense, as well as other statistical data. Following is a recapitulation of the 2015 annual reports, submitted by licensees with renewal applications, for the purpose of reflecting the general results of operations for the calendar year ending December 31, 2015.

- **ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2015**

The following tabulation represents aggregate information from reports filed by 211 licensed companies. The Department did not require an annual report from companies that opened after December, 2015.

- **STATEMENT OF ASSETS, LIABILITIES, AND EQUITY**

Total Assets	\$999,999,816
Total Liabilities	\$613,551,812
Net Worth	\$386,448,004

As of December 31, 2015, 5 companies owned 80% of the industry’s assets. This accounts for \$803,603,971 of the total reported assets of \$999,999,816. Sixty-five (65) companies reported assets greater than \$500,000; 104 companies had assets of between \$100,000 and \$500,000; and the remaining 42 showed total assets of less than \$100,000.

- **STATEMENT OF INCOME AND EXPENSES**

The following information was compiled from the statements of income and expenses for the period of January 1, 2015 to December 31, 2015.

Total Operating Income	\$194,928,835
Salary Expense	\$49,145,539
Bad Debt Expense	\$41,227,846
Owners’ Compensation	\$5,674,239
Net Income*	\$15,432,851

*Excluding Owner’s Compensation

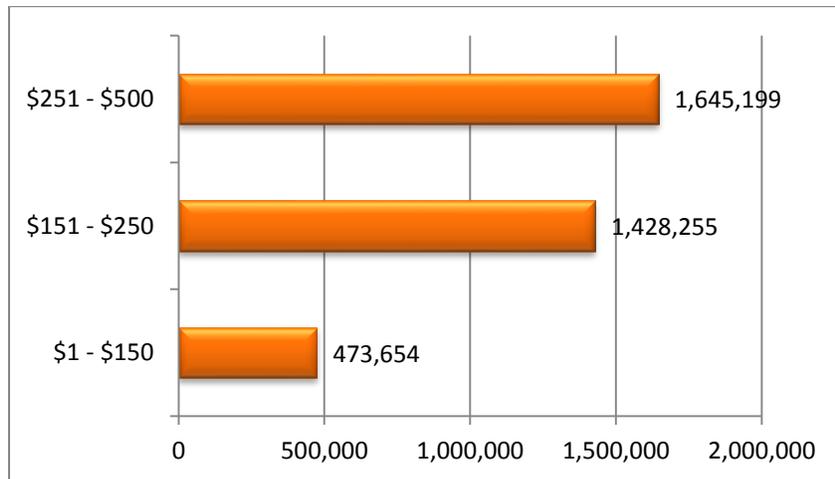
Of the 211 reporting companies, 68 reported operating losses and 26 reported net income of over \$100,000 for the period ending December 31, 2015. The average company made a profit of \$73,141. Salaries are a major company expense, amounting to about 25% of total operating income. The average salary expense for a reporting company was \$232,917. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 21% of total operating income.

- **TRANSACTIONAL DATA**

The following transactional data was reported for the reporting period ending December 31, 2015:

Number of Transactions	3,547,108
Dollar Amount of Transactions During the Year	\$983,619,792
Average Size of Receivable Transactions	\$277

Number of transactions by size of check:



FLEXIBLE CREDIT LENDERS

Businesses licensed under the Flexible Credit Act, Tenn. Code Ann. §§ 45-12-101, et seq., may offer “flex loans”. A flex loan plan means a written agreement subject to this chapter between a licensee and a customer establishing an open-end credit plan under which the licensee contemplates repeated noncommercial loans for personal, family or household purposes.

Flex loan plans may be unsecured or secured by personal property, and may be without fixed maturities or limitations as to the length of term. Flexible credit lenders may charge a periodic interest rate not to exceed 24% per annum, and a customary fee not to exceed a daily rate of .7% of the average daily principal balance in any billing cycle. No flex loan plan may have an outstanding principal balance in excess of \$4,000 at any time.



The requirements for licensure under the Flexible Credit Act include having a minimum net worth of \$50,000 for each location, and filing with the Department a surety bond in the amount of \$25,000 for each location up to a maximum of \$200,000 for any one licensee. Licenses under the Flexible Credit Act expire on December 31 of each year and may be renewed by filing a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2016, twenty-four (24) companies had licensed 564 locations; however, only

eight (8) of these companies, representing 226 locations, had conducted any business. All of the companies with loan activity in 2016 had examinations with 83 of the locations with loan activity examined resulting in consumer refunds of \$197,354.34.

- **ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2015**

Under T.C.A. § 45-12-122, the Commissioner shall prepare and submit to the governor and general assembly, annually, an analysis and recapitulation of the reports for the preceding calendar year for the purpose of reflecting the general results of operations under this chapter.

- **STATEMENT OF ASSETS, LIABILITIES, AND EQUITY**

The following tabulation represents aggregate information from the audited financial statements of 23 reporting entities.

Total Assets	\$273,087,854
Total Liabilities	\$76,524,873
Net Worth	\$196,562,981

As of December 31, 2016, 5 companies owned 74% of the industry's assets. This accounts for \$203,084,471 of the total reported assets of \$273,087,854. Sixteen (16) companies reported assets greater than \$500,000; whereas 7 companies had less than \$500,000 in assets.

- **STATEMENT OF INCOME AND EXPENSES**

The Flexible Credit Act became effective January 2015, and the following tabulation represents aggregate information for the period ending December 31, 2015:

Total Operating Income	\$84,304,497
Salary Expense	\$18,092,869
Bad Debt Expense	\$39,456,310
Owners' Compensation	\$917,344
Net Income*	\$1,671,589

*Excluding Owner's Compensation

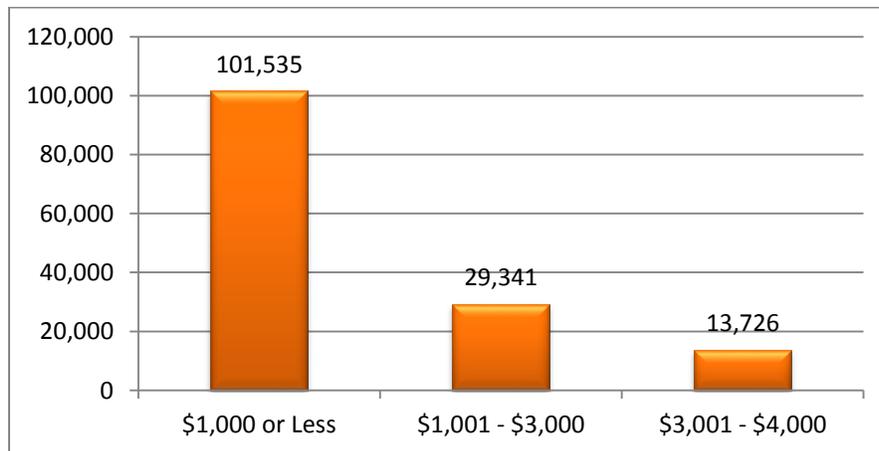
Of the 23 reporting companies, 2 reported operating losses. The average company made a profit of \$72,678.

Salaries are a major company expense, amounting to about 21% of total operating income. The average salary expense for a reporting company was \$786,646. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 47% of total operating income.

- **TRANSACTIONAL DATA**

Number of New Agreements Entered Into for 2015	144,602
Dollar Amount of New Agreements During 2015	\$110,839,788

Distribution of 2015 New Agreements by Dollar Amount: (Maximum agreement amount= \$4,000)



HOME EQUITY CONVERSION MORTGAGE LENDERS

Home equity conversion mortgages, also known as reverse mortgages, are governed in Tennessee by the Home Equity Conversion Mortgage Act, Tenn. Code Ann. §§ 47-30-101, et seq. A business that makes home equity conversion mortgages must be licensed under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, et seq. and must also be an authorized lender under the Home Equity Conversion Mortgage Act. All reverse mortgages issued in Tennessee must comply with all requirements for participation in the federal Department of Housing and Urban Development's (HUD) Home Equity Conversion Mortgage Program (or other similar federal reverse mortgage loan programs) and must be insured by the Federal Housing Agency or other similar federal agency.



The requirements for authorization include licensure under the Tennessee Residential Lending, Brokerage and Servicing Act, and proof of approval as a lender by the Department of Housing and Urban Development. Authorized lenders are examined for compliance with the Home Equity Conversion Mortgage Act at the same time that they are examined for compliance under the Tennessee Residential Lending, Brokerage and Servicing Act. As of December 31, 2016, 35 lenders were authorized to make reverse mortgage loans.

INDUSTRIAL LOAN AND THRIFT COMPANIES (TILT)

The Tennessee Industrial Loan and Thrift (TILT) Companies Act, Tenn. Code Ann. §§ 45-5-101, et seq., was adopted for the stated purpose of allowing the citizens of Tennessee to have available the facilities and resources of regulated lending institutions to meet their needs for loans at rates and charges reasonably commensurate with economic realities. TILT companies are authorized to charge rates of interest higher than the rates currently authorized under Tennessee's general usury statutes. The requirements for registration under the TILT Act include having a minimum net worth of \$25,000 for each location from which business is conducted, and filing with the Department a surety bond in the amount of \$200,000 if the business proposes to make residential mortgage loans, or \$50,000 otherwise. Registrations under the TILT Act expire on March 31 of each year and may be renewed by filing a renewal application on or before March 1. As of December 31, 2016, there were 1,378 TILT locations registered with the Department. For the calendar year 2016, the Department conducted 849 examinations of TILT companies resulting in refunds totaling \$36,511.34.



**INDUSTRIAL LOAN AND THRIFT COMPANIES
COMPOSITE ANNUAL REPORT
(Year Ending December 31, 2015)**

Number of Companies Included in this Report	195
Number of Offices included in this report	1,483
Number of Employees included in this report	6,407
RATE OF RETURN	
Average Monthly Gross Receivable (Industry)	\$1,834,885,054
Average Monthly Gross Receivable (Location)	\$1,237,279
Net Income (Industry)	\$55,776,032
Net Income (Location)	\$37,610
Rate of Return on Outstanding Receivables (Location)	3.04%
ANALYSIS OF ACCOUNTS OUTSTANDING (MONTHLY AVERAGE)	
Average Number of Accounts Outstanding (Industry)	743,183
Average Number of Accounts Outstanding (Company)	3,811
Average Number of Accounts Outstanding (Location)	501
OTHER INFORMATION	
Number of Loans Outstanding at Beginning of Year	809,394
Dollar Amount of Loans Outstanding at Beginning of Year	\$1,719,023,516
Average Amount per Loan Outstanding at Beginning of Year	\$2,123
Number of Loans Made During the Year	2,463,763
Dollar Amount of Loans Made During the Year	\$2,114,090,103
Average Amount per Loan Made	\$858
Number of Loans Charged Off During the Year	190,992
Dollar Amount of Loans Charged Off During the Year	\$123,779,142
Average Account Balance Charged Off	\$648
Number of Loans Outstanding at Year End	768,550
Dollar Amount of Loans Outstanding at Year End	\$1,728,089,915
Average Account Balance per Loan Outstanding at Year End	\$2,249



**INDUSTRIAL LOAN AND THRIFT COMPANIES COMPOSITE ANNUAL REPORT
ANALYSIS OF LOANS RECEIVABLE
(Year Ending December 31, 2015)**

Gross Loan Receivables Outstanding – January	\$1,922,476,678
Gross Loan Receivables Outstanding – February	\$1,774,672,689
Gross Loan Receivables Outstanding – March	\$1,782,402,119
Gross Loan Receivables Outstanding – April	\$1,663,132,213
Gross Loan Receivables Outstanding – May	\$1,797,930,280
Gross Loan Receivables Outstanding – June	\$1,824,677,267
Gross Loan Receivables Outstanding – July	\$1,835,942,981
Gross Loan Receivables Outstanding – August	\$1,853,683,064
Gross Loan Receivables Outstanding – September	\$1,853,678,714
Gross Loan Receivables Outstanding – October	\$1,873,106,365
Gross Loan Receivables Outstanding – November	\$1,898,366,762
Gross Loan Receivables Outstanding – December	\$1,938,551,521

INSURANCE PREMIUM FINANCE COMPANIES

Persons engaged in the business of premium finance companies in Tennessee must be licensed under the Premium Finance Company Act of 1980, Tenn. Code Ann. §§ 56-37-101, et seq. Premium finance companies enter into agreements by which an insured or prospective insured promises to pay to the premium finance company the amount advanced or to be advanced under the agreement to an insurer or insurance agent or producing agent in payment of premiums of an insurance contract, together with interest and a service charge. A premium finance company may charge interest not to exceed a maximum effective rate of 24% per annum, and may charge on pre-computed loans a service charge in an amount equal to 4% of the total amount of the loan.

The requirements for licensure under the Premium Finance Company Act include the experience, training or education so as to be qualified in the business for which the license is required. As of December 31, 2016, there were 53 insurance premium finance companies licensed with the Department. For calendar year 2016, the Department conducted 33 examinations of insurance premium finance companies resulting in refunds totaling \$27.20.

MONEY TRANSMITTERS

The activities of Money Transmitter companies are governed by the Tennessee Money Transmitter Act of 1994, codified at Tennessee Code Annotated Title 45, Chapter 7. There are exemptions that apply to certain government agencies, as well as business organizations. See Tennessee Code Annotated Section 45-7-204.

The Department continues to enhance its policies and procedures to ensure that they efficiently and effectively facilitate its statutory responsibility to ensure certain consumer protections as well as to help provide a good business environment for legitimate industry. The Department also continues to be an active participant in the Money Transmitter Regulatory Association and Conference of State

Bank Supervisors to facilitate fulfillment of its responsibilities with respect to money transmission licensing and regulation.



Effective October 1, 2013, the Tennessee Department of Financial Institutions (TDFI) began using the National Multistate Licensing System (NMLS) to manage money transmitter licenses. Through NMLS, entities are able to apply for, amend, and renew their Tennessee money transmitter license authority conveniently and safely online.

NMLS is a secure, web-based system created by state regulators to provide efficiencies in the processing of state licenses and to improve supervision of state regulated industries. Through NMLS, companies maintain a single record which they use to apply for, maintain, renew, and surrender licenses in one or more states.

More information about NMLS can be found at:

<http://mortgage.nationwidelicencingsystem.org/Pages/default.aspx>

Licensing- Each applicant for a money transmitter license must demonstrate, and each licensee must maintain, a net worth of not less than \$100,000 computed according to generally accepted accounting principles. Persons transmitting, or proposing to transmit, money shall have an additional net worth of \$25,000 per additional location or agent located in Tennessee, as applicable, to a maximum of \$500,000. The applicant must demonstrate such experience, character, and general fitness as to command the confidence of the public and warrant the belief that the business will be operated lawfully and fairly. As of December 31, 2016, the division licensed 110 money transmitters. For calendar year 2016, 18 examinations of money transmitters were conducted by the Multistate Money Transmitter Exam Team (MMET), of which the Department is a member, or the examinations were conducted by other states and accepted by the MMET and the Department. The Tennessee Money Transmitter Act authorizes the Department to accept examinations of an agency of another state.

NEW LICENSES ISSUED

- Adyen, Inc., San Francisco, CA (April 2016)
- Airbnb Payments, Inc., San Francisco, CA (July 2016)
- Align Commerce Payments Inc., San Francisco, CA (December 2016)
- Bannockburn Global Forex, LLC, Cincinnati, OH (October 2016)
- Barri Money Services, LLC, Houston, TX (March 2016)
- Circle Internet Financial, Inc., Boston, MA (January 2016)
- Coinbase, Inc., San Francisco, CA (January 2016)
- CoinX, Inc., Fairmount, GA (March 2016)
- FNC Insurance Agency, Inc., Hagerstown, MD (November 2016)
- HSI USA Inc., San Francisco, CA (August 2016)
- Paymotech Finance Corporation, Fort Lauderdale, FL (August 2016)
- SEQR Payments, Inc., Atlanta, GA (October 2016)
- Stripe Payments Company, San Francisco, CA (May 2016)

RESIDENTIAL MORTGAGE LENDERS, BROKERS AND SERVICERS

Residential mortgage lenders, brokers and servicers doing business in Tennessee must be licensed under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, et seq. The requirements for licensure include having a minimum net worth of \$25,000, and filing with the Department a surety bond in an initial amount of between \$90,000 and \$200,000 depending on the nature of the business to be conducted, and the bond is adjustable annually based on the dollar amount of Tennessee residential mortgage loans originated in the preceding calendar year. Licenses expire on December 31 of each year and may be renewed by the filing of



a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2016, there were 603 mortgage businesses licensed with the Department. For the calendar year 2016, the Department conducted 109 examinations of mortgage companies, resulting in refunds totaling \$127,908.03.

RESIDENTIAL MORTGAGE LOAN ORIGINATORS

Residential mortgage loan originators must also be licensed under the Tennessee Residential Lending, Brokerage and Servicing Act, Tenn. Code Ann. §§ 45-13-101, et seq. The requirements for licensure include the following: 20 hours of pre-licensure education, 2 hours of which must be in Tennessee law; passing score on a national test with uniform state content; authorization for a fingerprint based criminal background check through the FBI; authorization for a credit report from a national credit reporting agency. A mortgage loan originator license is not active unless the individual is also sponsored by a licensed mortgage lender or mortgage loan broker, and a mortgage loan originator is prohibited by law from providing origination services with an inactive license. Licenses expire on December 31 of each year and may be renewed by the filing of a renewal application, through the Nationwide Multistate Licensing System (NMLS), between November 1 and December 31. As of December 31, 2016, there were 11,416 mortgage loan originators licensed with the Department. The Department examines the work product of individual mortgage loan originators when it examines the sponsoring broker or lender.

TITLE PLEDGE LENDERS

The Tennessee Title Pledge Act, Tenn. Code Ann. §§ 45-15-101, et seq., governs the activities of title pledge lenders in Tennessee. A title pledge loan is a 30 day loan, which may be renewed, secured by the borrower's motor vehicle. Title pledge lenders may charge interest at a rate not to exceed 2% per month, and a customary fee of no more than 1/5 of the original principal amount of the loan or the unpaid balance due at the inception of any renewal. If a borrower fails to repay a loan, the lender may repossess and sell the vehicle, but the borrower is not personally liable for any deficiency balance.

The requirements for licensure under the Tennessee Title Pledge Act include having a minimum net worth of \$75,000 for each location, and filing with the Department a surety bond in the amount of \$25,000 for each location up to a maximum of \$200,000 for any one licensee. Licenses under the Tennessee Title Pledge Act expire on December 31 of each year and may be renewed by filing a renewal application on or before December 1. As of December 31, 2016, there were 831 title pledge locations licensed with the Department. For the calendar year 2016, the Department conducted 768 examinations of title pledge businesses resulting in refunds totaling \$65,655.91.

- ANNUAL REPORT INFORMATION FOR CALENDAR YEAR ENDING DECEMBER 31, 2015**

The following tabulation represents aggregate information from reports filed by 130 licensed companies with 806 locations. The Department did not require an annual report from companies that opened after December, 2015.

Total Assets	\$371,247,950
Total Liabilities	\$35,633,124
Net Worth	\$335,614,826

As of December 31, 2015, 5 companies owned 59% of the industry's assets. This accounts for \$219,583,116 of the total reported assets of \$371,247,950. Fifty-six (56) companies reported assets greater than \$500,000; 70 companies had assets of between \$100,000 and \$500,000; and the remaining 4 reflected total assets of less than \$100,000.

- STATEMENT OF INCOME AND EXPENSES**

The following information was compiled from the statements of income and expenses for the period of January 1, 2015 to December 31, 2015.

Total Operating Income	\$176,925,053
Salary Expense	\$32,324,600
Bad Debt Expense	\$39,282,861
Owners' Compensation	\$6,610,132
Net Income*	\$45,271,409

*Excluding Owner's Compensation

Of the 130 reporting companies, 48 reported operating losses and 13 reported net income of over \$100,000 for the period ending December 31, 2015. The average company made a profit of \$345,583.

Salaries are a major company expense, amounting to about 18% of total operating income. The average salary expense for a reporting company was \$246,753. Losses on receivables constitute another major industry expense. Bad debt expense represented approximately 22% of total operating income.

- **TRANSACTIONAL DATA**

The following transactional data was reported for the reporting period ending December 31, 2015:

Number of New Agreements Entered Into for 2015	209,050
Dollar Amount of New Agreements During 2015	\$167,112,030
Number of Defaults	50,854
Number of Repossessions	21,732
Total Surplus Amount Returned to Customers after Sale of Repossessed Vehicles	\$214,794

Distribution of 2015 New Agreements by Dollar Amount: (Maximum agreement amt. = \$2,500)

\$1000 or less	153,216
\$1001 - \$2,000	41,728
\$2001 - \$2,500	14,106

Number of Customers Holding Agreements Outstanding as of December 31, 2015	173,267
Number of Customers who Deferred a Principal Payment Reduction in 2015	25,378



CREDIT UNION DIVISION

The Credit Union Division is responsible for the supervision and examination of state-chartered natural-person and corporate credit unions. Credit union examiners perform safety and soundness examinations for each state-chartered credit union and Volunteer Corporate Credit Union to determine compliance with governing laws and regulations. Evaluations of each credit union's assets, liabilities, income and expenses are performed to assess the solvency of the institution. They also perform investigations as a result of complaints filed with the Department's Consumer Resources Section.

Collectively, the 86 natural-person credit unions regulated by the Credit Union Division have assets of approximately \$10.2 billion. The return on average assets was 1.01%. Individually, the institutions present a vast array of asset sizes, fields of membership and services.

Volunteer Corporate Credit Union, located in Nashville, TN, continues to meet the financial service needs of natural-person credit unions, whether state or federally-chartered. VolCorp is a \$1.29 billion corporate credit union that serves more than 351 member credit unions in Tennessee and other states. Primary offerings include traditional correspondent services such as investments, item processing, security safekeeping, consulting services and web design.

The Credit Union Division remains accredited by the National Association of State Credit Union Supervisors (NASCUS). The NASCUS accreditation was re-certified in June 2015 (for another five-year period). Additionally, eligible division examiners and supervisors have met comprehensive criteria for NASCUS examination certifications. This certification program provides recognition to superior state credit union examiners and encourages continued professional development through the certification's required continuing education hours.

The primary responsibility of the Credit Union Division is to provide the people of Tennessee with a safe and sound system of credit unions by ensuring compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee.





Credit Union Examiners

ADMINISTRATION

Tina G. Miller, Deputy Commissioner
 Anthony Rogers, Chief Administrator

Susan Blair, Administrative Services Assistant

EXAMINATION PERSONNEL

West Tennessee District

Randall Means, CSCUES, Credit Union Examiner
 Dana R. Owen, CFE, CEIC, CISE, Credit Union Examiner

Josh Evans, Credit Union Examiner

Middle Tennessee District

Steve Eddings, CFE, CSCUE, CEIC, Credit Union Examiner
 Jim Eller, Credit Union Examiner

Matthew Adkison, Credit Union Examiner
 Robert Heisse, Credit Union Examiner
 Derek Quarles, Credit Union Examiner

East Tennessee District

Brian Williams, FI Safety and Soundness Manager
 Shane Hardin, CFE, CSCUE, Credit Union Examiner
 Dwight Ward, Credit Union Examiner

William Justice, Credit Union Examiner
 George Goodwin, Credit Union Examiner

Personnel Designation: CEIC, Certified Examiner-in-Charge; CFE, Certified Fraud Examiner; CISE, Certified Information Systems Examiner; CSCUE, Certified State Credit Union Examiner; CSCUES, Certified State Credit Union Examiner Supervisor

CREDIT UNION TRANSACTIONS

July 1, 2015 – June 30, 2016

Mergers/Liquidations

- Parkridge Credit Union, Chattanooga, TN, merged with and into Healthcare Services Credit Union, Chattanooga, TN (11/1/15)
- Newspaper and Printers Credit Union, Nashville, TN, merged with and into St. Thomas Credit Union, Nashville, TN (11/3/15)
- Employees Credit Union, Nashville, TN, merged with and into Ascend Federal Credit Union, Tullahoma, TN (5/22/16)

- There were no credit union liquidations during the fiscal year.

Name Changes

- NMH Credit Union, Nashville, TN, changed its name to Skyline Credit Union (7/8/15)
- First Kingsport Credit Union, Kingsport, TN, changed its name to Horizon Credit Union (4/1/16)
- Bradley Initiative Credit Union, Cleveland, TN, changed its name to Smart Choice Credit Union (6/1/16)

Principal Address Change

- Bowater Employees Credit Union changed its principal office to 5123 Highway 11 South, Calhoun, TN 37309 (10/9/15)
- First Kingsport Credit Union (now Horizon Credit Union) changed its principal office to 1201 N. Eastman Road, Kingsport, TN 37664 (4/1/16)

New Branches/Branch Relocations

- Eastman Credit Union - Approval to establish a branch at 3785 East Andrew Johnson Hwy, Greeneville, TN (7/9/15)
- U.S. Community Credit Union - Approval to establish a student branch in Hillsboro High School, 3812 Hillsboro Pike, Nashville, TN (7/9/15)
- New South Credit Union – Approval to construct new branch for the purpose of relocating the Rutledge Branch (10/20/15)
- First Kingsport Credit Union (now Horizon Credit Union) – Approval to establish a new branch - 130 Main Street, Mt. Carmel, TN (12/11/15)
- First Kingsport Credit Union (now Horizon Credit Union) – Approval to establish a new branch – 1201 North Eastman Road, Kingsport, TN (1/21/16)
- Eastman Credit Union - Approval to relocate branch from 3306 Hwy 126 Blountville, TN to 101 Sprint Drive, Bristol, TN 37620 (4/7/16)

Approval to Close/Sell Branches

- Southeast Financial Credit Union - Approval for spin off of the Fostoria and Tiffin, Ohio branches (11/3/15)
- Volunteer Corporate Credit Union - Approval to close a branch at 3615 Newburg Road, Louisville, KY (11/6/15)

Field of Membership Application Approvals

- CN/IC Employees Credit Union - Approval to add Employees of Illinois Central Railroad Company and affiliated companies (9/17/15)
- Southeast Financial Credit Union - Approval to reduce field of membership by removing:
 Ameriwood Industries, Toledo Molding and Die, Inc., persons who live, work, worship, or attend school in Hancock, Seneca, Wood, or Wyandot Counties in Ohio or Scott Township in Sandusky County, Ohio;
 Persons retired as pensioners or annuitants from entities located within the above described area;
 Members of the immediate families of the individuals working in the Ohio branches;
 Organizations of such persons within the groups listed above; and,
 Select groups pursuant to Section 1733.05(D)(1), of the Ohio Revised Code, including:
 A. Seneca County Convention & Visitors' Bureau (now Destination Seneca County)
 B. Fostoria Area Historical Society. (3/24/16)
- Tennessee Employees Credit Union - Approval to add Tennessee Department of Mental Health and Substance Abuse (5/27/16)
- Horizon Credit Union - Approval to add regular Members of the Tri-Cities Military Affairs Council (6/2/16)

**TENNESSEE STATE-CHARTERED CREDIT UNIONS
KEY RATIOS**

	FYE 6/30/2016	FYE 6/30/2015
Net Worth/Total Assets	12.85%	12.83%
Net Worth/Total Assets--Including Optional Total Assets Election (if used)	12.86%	12.84%
Total Delinquent Loans / Net Worth	2.07%	2.32%
Solvency Evaluation (Estimated)	114.85%	114.81%
Classified Assets (Estimated) / Net Worth	4.59%	4.76%
ASSET QUALITY		
Delinquent Loans / Total Loans	0.37%	0.43%
*Net Charge-Offs / Average Loans	0.30%	0.39%
Fair (Market) HTM Invest Value/Book Value HTM Invest.	100.35%	98.63%
Accum Unreal G/L On AFS/Cost Of AFS	0.31%	-0.45%
Delinquent Loans / Assets	0.27%	0.30%
EARNINGS		
*Return On Average Assets	1.01%	0.90%
*Gross Income/Average Assets	4.77%	4.67%
*Yield on Average Loans	4.44%	4.57%
*Yield on Average Investments	0.91%	0.79%
* Fee & Other Op.Income / Avg. Assets	1.38%	1.30%
*Cost of Funds / Avg. Assets	0.44%	0.45%

	FYE 6/30/2016	FYE 6/30/2015
*Net Margin / Avg. Assets	4.33%	4.22%
*Operating Exp./ Avg. Assets	3.18%	3.12%
*Provision For Loan & Lease Losses / Average Assets	0.16%	0.21%
*Net Interest Margin/Avg. Assets	2.95%	2.92%
Operating Exp./Gross Income	66.62%	66.81%
Fixed Assets & Foreclosed & Repossessed Assets / Total Assets	2.53%	2.67%
*Net Operating Exp. /Avg. Assets	2.42%	2.40%
ASSET / LIABILITY MANAGEMENT		
Net Long-Term Assets / Total Assets	33.21%	33.99%
Reg. Shares / Total Shares. & Borrowings	32.66%	31.99%
Total Loans / Total Shares	84.51%	81.72%
Total Loans / Total Assets	71.77%	69.56%
Cash + Short-Term Investments / Assets	15.86%	15.96%
Total Shares, Dep. & Borrs / Earning Assets	91.14%	91.05%
Reg Shares + Share Drafts / Total Shares & Borrs	48.69%	46.79%
Borrowings / Total Shares & Net Worth	1.62%	1.44%
Supervisory Interest Rate Risk Threshold/Net Worth	254.42%	252.78%
PRODUCTIVITY		
Members / Potential Members	6.68%	7.10%
Borrowers / Members	55.21%	54.27%
Members / Full-Time Employees	351.12%	355.90%
Avg. Shares Per Member	\$9,245	\$8,872
Avg. Loan Balance	\$14,151	\$13,359
* Salary And Benefits / Full-Time Empl.	\$64,339	\$60,932
OTHER RATIOS		
* Net Worth Growth	7.09%	7.15%
* Market (Share) Growth	7.92%	6.26%
* Loan Growth	9.11%	7.52%
* Asset Growth	7.89%	5.80%
* Investment Growth	3.64%	2.32%
* Membership Growth	3.57%	3.76%
* Annualized ratios		



**TENNESSEE STATE-CHARTERED CREDIT UNIONS
CONSOLIDATED BALANCE SHEET**

	As of 6/30/2016	As of 6/30/2015	% Change
ASSETS			
CASH:			
Cash on Hand	104,859,466	96,640,853	8.50%
Cash on Deposit	911,221,100	852,458,960	6.89%
Cash Equivalents	54,346,646	43,817,030	24.03%
Total Cash	\$1,070,427,212	\$992,916,843	7.81%
INVESTMENTS:			
Trading Securities	0	0	N/A
Available for Sale Securities	321,224,218	386,719,706	-16.94%
Held-to-Maturity Securities	271,204,756	346,799,688	-21.80%
Deposits in Commercial Banks, S & Ls, Savings Banks	656,846,540	658,642,922	-0.27%
Loans to, Deposits in, & Investments in Natural Person CUs	60,125,115	57,486,268	4.59%
Total MCSD and PIC in Corporate	27,059,471	27,860,396	-2.87%
All Other Investments in Corporate Credit Unions	14,433,987	25,045,475	-42.37%
All Other Investments	52,442,934	60,393,019	-13.16%
Total Investments	\$1,403,337,021	\$1,562,947,474	-10.21%
LOANS HELD FOR SALE	\$1,883,144	\$1,730,338	8.83%
Loans and Leases:			
Unsecured Credit Card Loans	238,522,656	228,313,772	4.47%
All Other Unsecured loans	278,717,008	268,055,256	3.98%
Non-Federally Guaranteed Student Loans	61,092,105	61,771,230	-1.10%
New Auto Loans	1,292,230,143	1,003,233,908	28.81%
Used Auto Loans	1,413,862,168	1,354,006,478	4.42%
First Mortgage Real Estate Loans	3,262,848,585	3,035,877,129	7.48%
Other Real Estate Loans	317,775,804	318,843,440	-0.33%
Leases Receivable	976,516	0	
All Other Loans/Lines of Credit	476,056,521	443,625,276	7.31%
Total Loans	\$7,342,081,506	\$6,713,726,489	9.36%
ALLOWANCE FOR LOAN & LEASE LOSSES	(60,429,409)	(58,995,660)	2.43%

	As of 6/30/2016	As of 6/30/2015	% Change
Total Foreclosed and Repossessed Assets	11,826,677	13,768,494	-14.10%
Land and Building (Net of Depreciation)	215,005,851	208,051,301	3.34%
Other Fixed Assets	28,140,748	31,846,760	-11.64%
NCUA Share Insurance Capitalization Deposit	79,267,161	75,791,530	4.59%
Total Intangible Assets	380,570	683,752	-44.34%
Total Other Assets	138,427,736	109,458,424	26.47%
Total Assets	\$10,230,348,217	\$9,651,925,745	5.99%
TOTAL CREDIT UNIONS	86	89	-3.37%
LIABILITIES, SHARES AND EQUITY			
Liabilities:			
Other Notes, Promissory Notes, Interest Payable & Draws Against LOC	162,265,603	136,049,667	19.27%
Borrowing Repurchase Transactions	0	0	N/A
Subordinated Debt	0	30,000	-100.00%
Subordinated Debt Included in Net Worth (Uninsured Secondary Capital)	90,000	120,000	-25.00%
Accrued Dividends and Interest Payable	1,032,036	1,243,937	-17.03%
Accounts Payable and Liabilities	88,148,414	81,959,899	7.55%
Total Liabilities	\$251,536,053	\$219,403,503	14.65%
SHARES and DEPOSITS:			
Share Drafts	1,418,983,895	1,236,128,055	14.79%
Regular Shares	2,890,702,263	2,671,471,804	8.21%
All Other Shares and Deposits	4,378,603,117	4,307,957,762	1.64%
Total Shares/Deposits	\$8,688,289,275	\$8,215,557,621	5.75%
EQUITY:			
Undivided Earnings	865,606,617	822,596,563	5.23%
Regular Reserves	391,296,881	360,705,865	8.48%
Appropriations for Non-Conforming Investments	0	0	N/A
Other Reserves	24,923,575	24,500,051	1.73%
Adjusted Retained Earnings Obtained through Business Combinations	20,065,161	19,604,465	2.35%
Miscellaneous Equity	15,800	15,800	0.00%
Accumulated Unrealized Gains/Losses on AFS Securities	993,472	(1,755,325)	156.60%

	As of 6/30/2016	As of 6/30/2015	% Change
Unrealized Losses for OTTI (due to other factors) on HTM Debt Securities	0	0	N/A
Accumulated Unrealized Gains/Losses on Cash Flow Hedges	0	0	N/A
Other Comprehensive Income	(25,863,437)	(20,344,273)	-27.13%
Net Income**	13,484,820	11,641,475	15.83%
Equity Total	\$1,290,522,889	\$1,216,964,621	6.04%
TOTAL SHARES & EQUITY	\$9,978,812,164	\$9,432,522,242	5.79%
TOTAL LIABILITIES/SHARES/EQUITY	\$10,230,348,217	\$9,651,925,745	5.99%
NATIONAL CREDIT UNION ADMINISTRATION INSURED SAVINGS:			
Uninsured Shares	428,767,559	388,439,165	10.38%
Uninsured Non-Member Deposits	4,869,718	4,827,607	0.87%
Total Uninsured Shares and Deposits	433,637,277	393,266,772	10.27%
Insured Shares and Deposits	8,254,651,998	7,822,290,849	5.53%
TOTAL NET WORTH	\$1,315,306,852	\$1,239,008,217	6.16%

**Note: The Net Income shown in the Equity section of the Consolidated will not reconcile to the Net Income shown on the Consolidated Income Statement. This is due to the fact that credit unions are not required to close out their accounting records on a quarterly basis, only at year-end.

TENNESSEE STATE-CHARTERED CREDIT UNIONS CONSOLIDATED INCOME STATEMENT

	FYE 6/30/2016	FYE 6/30/2015	% Change
Interest Income			
Interest on Loans	159,385,612	150,483,677	5.92%
Less Interest Refund	(0)	(7)	
Income from Investments	10,663,480	9,620,099	10.85%
Income from Trading	0	0	N/A
Total Interest Income	\$170,049,092	\$160,103,769	6.21%
Interest Expense			
Dividends	8,182,724	8,203,933	-0.26%
Interest on Deposits	12,422,366	11,958,597	3.88%
Interest on Borrowed Money	1,291,446	1,134,223	13.86%
Total Interest Expense	\$21,896,536	\$21,296,753	2.82%

	FYE 6/30/2016	FYE 6/30/2015	% Change
Provision for Loan and Lease Losses (PLLL)	8,053,032	9,769,536	-17.57%
Net Interest Income after PLLL	\$140,099,524	\$129,037,480	8.57%
Non-Interest Income			
Fee Income	37,876,987	33,913,527	11.69%
Other Operating Income	31,501,560	27,976,393	12.60%
Gain(Loss) on Investments	52,657	79,070	-33.40%
Gain(Loss) on Non-Trading Derivatives	0	0	N/A
Gain(Loss) on Disposition of Assets	(317,709)	(140,740)	-125.74%
Gain from Bargain Purchase (Merger)	21,847	0	
Other Non-Operating Income (Expense)	812,683	206,763	293.05%
NCUSIF Stabilization Income	0	0	N/A
Total Non-Interest Income	\$69,948,025	\$62,035,013	12.76%
Non-Interest Expense			
Employee Compensation and Benefits	86,102,003	79,271,976	8.62%
Travel/Conference Expense	1,431,330	1,379,022	3.79%
Office Occupancy	9,579,246	9,504,836	0.78%
Office Operation Expense	34,069,849	31,575,596	7.90%
Education and Promotion	4,968,039	4,596,257	8.09%
Loan Servicing Expense	7,284,081	6,820,789	6.79%
Professional/Outside Service	11,996,614	11,041,787	8.65%
Member Insurance	N/A	N/A	N/A
Member Insurance - NCUSIF Premium	3,165	0	
Member Insurance - Temporary Corporate CU Stabilization Fund	0	182,479	-100.00%
Member Insurance - Other	71,309	56,360	26.52%
Operating Fees	1,254,054	1,427,761	-12.17%
Miscellaneous Operating Expense	2,742,374	2,460,633	11.45%
Total Non-Interest Expense	\$159,502,064	\$148,317,496	7.54%
Net Income Excluding Stabilization Expense & NCUSIF Premiums	\$50,548,650	\$42,937,476	17.73%
Net Income (Loss)	\$50,545,485	\$42,754,997	18.22%
Transfer to Regular Reserve	\$13,952,042	\$9,754,570	43.03%

**TENNESSEE STATE-CHARTERED CREDIT UNIONS
GROUPED BY ASSET SIZE
(ROUNDED TO NEAREST HUNDRED THOUSANDTHS)**

CREDIT UNION ASSET SIZE RANGE	# OF CREDIT UNIONS - CURRENT YEAR	CURRENT YEAR - TOTAL ASSETS	PERCENTAGE IN GROUP
\$250,000 OR LESS	1	\$51,000	1.15
\$250,001 TO \$500,000	1	\$385,000	1.15
\$500,001 TO \$1,000,000	1	\$967,000	1.15
\$1,000,001 TO \$5,000,000	12	\$28,500,000	13.79
\$5,000,001 TO \$10,000,000	13	\$102,200,000	14.94
\$10,000,001 TO \$50,000,000	34	\$952,300,000	39.08
\$50,000,001 TO \$100,000,000	8	\$593,200,000	9.20
\$100,000,001 TO \$200,000,000	6	\$833,000,000	6.90
\$200,000,001 TO \$500,000,000	7	\$2,138,000,000	8.05
\$500,000,001 AND OVER	4	\$6,867,800,000	4.60
TOTAL	87	\$11,516,403,000	100



TENNESSEE STATE-CHARTERED CREDIT UNIONS ASSETS
(As of June 30, 2016)

Credit Union	Year Est.	Address	City	County	Zip	Assets
A.U.B. EMPLOYEES'	1965	100 NEW ENGLEWOOD ROAD	ATHENS	McMINN	37303	\$1.7M
AGILITY FINANCIAL	1964	495 UNION AVENUE	MEMPHIS	SHELBY	38103	\$10.5M
APPLIANCE	1972	640 KING EDWARD AVENUE SE	CLEVELAND	BRADLEY	37311	\$11.5M
BCBST EMPLOYEES	1971	1 CAMERON HILL CIRCLE	CHATTANOOGA	HAMILTON	37402	\$10.7M
BOWATER EMPLOYEES	1954	5123 HIGHWAY 11 SOUTH	CALHOUN	McMINN	37309	\$146.3M
CEMC EMPLOYEES	1959	1940 MADISON STREET	CLARKSVILLE	MONTGOMERY	37043	\$2.6M
CHATTANOOGA FEDERAL EMPLOYEES	1925	2011 STEIN DRIVE	CHATTANOOGA	HAMILTON	37421	\$46.6M
CITY EMPLOYEES	1932	1720 WESTERN AVENUE	KNOXVILLE	KNOX	37921	\$76.0M
CN/IC EMPLOYEES	1928	2005 NONCONNAH BLVD. SUITE 7	MEMPHIS	SHELBY	38132	\$7.7M
COLLEGEDALE	1952	5046 UNIVERSITY DRIVE	COLLEGEDALE	HAMILTON	37315	\$40.8M
CONSUMER	1953	3634 E ANDREW JOHNSON HIGHWAY	GREENEVILLE	GREENE	37745	\$380.0M
CORNERSTONE FINANCIAL	1962	1701 21st AVENUE S	NASHVILLE	DAVIDSON	37212	\$302.0M
CREDIT UNION FOR ROBERTSON COUNTY	1968	2416 MEMORIAL BLVD	SPRINGFIELD	ROBERTSON	37172	\$48.0M
DIXIE LINE	1932	567 VERITAS STREET	NASHVILLE	DAVIDSON	37211	\$9.9M
EASTMAN	1934	2021 MEADOWVIEW LANE	KINGSPORT	SULLIVAN	37662	\$3.45B
ELECTRIC SERVICE	1951	2340 JACKSON DOWNS BOULEVARD	NASHVILLE	DAVIDSON	37214-2372	\$64.0M
EMPLOYEE RESOURCES	1964	1604 REMKE AVENUE	LAWRENCEBURG	LAWRENCE	38464	\$82.7M
EMPLOYMENT SECURITY	1955	220 FRENCH LANDING DR	NASHVILLE	DAVIDSON	37243	\$13.1M
EPB EMPLOYEES	1954	1500 McCALLIE AVE	CHATTANOOGA	HAMILTON	37404	\$28.3M
FIRST CHOICE COMMUNITY	1934	100 N. 17TH STREET	KNOXVILLE	KNOX	37921	\$37.2M
FIRST SOUTH FINANCIAL	1957	6471 STAGE ROAD, SUITE 200	BARTLETT	SHELBY	38134	\$519.2M
GALLATIN STEAM PLANT	1956	1499 STEAM PLANT ROAD	GALLATIN	SUMNER	37066	\$5.3M
GATEWAY	1959	100 OTIS SMITH DRIVE	CLARKSVILLE	MONTGOMERY	37043	\$11.0M

Credit Union	Year Est.	Address	City	County	Zip	Assets
GREATER EASTERN	1952	2110 MOUNTCASTLE DRIVE	JOHNSON CITY	WASHINGTON	37604	\$51.2M
GREENEVILLE CITY EMPLOYEES'	1965	310 SOUTH MAIN STREET, SUITE 3	GREENEVILLE	GREENE	37743	\$9.7M
GREENEVILLE WORKS EMPLS. SAVINGS ASSOCIATION	1976	2745 SNAPPS FERRY ROAD	GREENEVILLE	GREENE	37745	\$2.1M
HAPPY VALLEY	1933	210 EAST C STREET	ELIZABETHTON	CARTER	37643	\$30.2M
HARDIN COUNTY HOSPITAL EMPLOYEES	1964	935 WAYNE ROAD	SAVANNAH	HARDIN	38372	\$1.2M
HEALTH SYSTEMS	1953	4005 N. BROADWAY STREET	KNOXVILLE	KNOX	37917	\$6.2M
HEALTHCARE SERVICES	1952	946 EAST THIRD STREET	CHATTANOOGA	HAMILTON	37403	\$20.5M
HERITAGE SOUTH COMMUNITY	1957	763 NORTH MAIN STREET	SHELBYVILLE	BEDFORD	37160	\$176.0M
HOLLEY	1952	1107 MINERAL WELLS AVENUE	PARIS	HENRY	38242	\$49.6M
HORIZON	1932	1201 N EASTMAN RD	KINGSPORT	SULLIVAN	37660	\$45.5M
HURD EMPLOYEES	1968	200 W CHURCH STREET	GREENEVILLE	GREENE	37745	\$3.0M
JACK DANIEL EMPLOYEES	1987	488 MAJORS BOULEVARD	LYNCHBURG	MOORE	37352	\$29.0M
JOHNSONVILLE TVA EMPLOYEES	1952	209 HIGHWAY 641 NORTH	CAMDEN	BENTON	38320	\$91.3M
KIMBERLY CLARK	1971	1520 N SECOND ST	MEMPHIS	SHELBY	38107	\$109.1M
KINGSPORT PRESS CU	1930	528 W. CENTER STREET	KINGSPORT	SULLIVAN	37660	\$67.5M
KINGSTON TVA EMPLOYEES	1954	714 SWAN POND RD	HARRIMAN	ROANE	37748	\$2.0M
KNOX CO. EMPLOYEES	1974	400 MAIN STREET, ROOM 355	KNOXVILLE	KNOX	37902	\$8.9M
KNOXVILLE NEWS-SENTINEL EMPLOYEES	1935	2332 NEWS SENTINEL DRIVE	KNOXVILLE	KNOX	37912	\$8.2M
KNOXVILLE TVA EMPLOYEES	1934	301 WALL AVENUE	KNOXVILLE	KNOX	37902	\$1.61B
LAKESIDE EMPLS.	1965	1008 BROADWAY AVENUE	NEW JOHNSONVILLE	HUMPHREYS	37134	\$38.9M
LANGSTON BAG CO. EMPLS. SAV. ASSN.	1964	1760 SOUTH 3RD STREET	MEMPHIS	SHELBY	38109	\$51K
LEADERS CREDIT UNION	1957	87 MURRAY GUARD DR	JACKSON	MADISON	38305-3774	\$290.0M
LIFE	1958	2010 CHURCH STREET, SUITE 204	NASHVILLE	DAVIDSON	37203-2078	\$32.0M
LIFEWAY	1954	ONE LIFEWAY PLAZA	NASHVILLE	DAVIDSON	37234-0193	\$47.8M

Credit Union	Year Est.	Address	City	County	Zip	Assets
LOWLAND	1953	622 WEST 1ST NORTH STREET	MORRISTOWN	HAMBLEN	37814	\$89.7M
M.P.D. COMMUNITY	1966	2711 OLD LEBANON ROAD	NASHVILLE	DAVIDSON	37214	\$26.1M
MARYVILLE MUNICIPAL	1971	321 W BROADWAY AVENUE	MARYVILLE	BLOUNT	37801	\$14.9M
MCNAIRY COUNTY EMPLOYEES	1980	105 N OAK STREET	ADAMSVILLE	McNAIRY	38310	\$1.3M
MEMORIAL	1959	6800 LONGVIEW ROAD	CHATTANOOGA	HAMILTON	37421	\$7.4M
MEMPHIS CITY EMPLOYEES	1959	2608 AVERY AVENUE	MEMPHIS	SHELBY	38112	\$263.5M
METROPOLITAN TEACHERS	1957	1605 JEFFERSON STREET	NASHVILLE	DAVIDSON	37208	\$2.9M
MID-EAST TENNESSEE COMMUNITY	2009	17640 STATE HIGHWAY 58N	DECATUR	MEIGS	37322	\$8.4M
MOUNTAIN STATES	1953	400 N. STATE OF FRANKLIN ROAD	JOHNSON CITY	WASHINGTON	37604	\$16.8M
N.G.H.	1959	1818 ALBION STREET	NASHVILLE	DAVIDSON	37208	\$7.2M
NASHVILLE FIREMEN'S	1932	908 WOODLAND STREET	NASHVILLE	DAVIDSON	37206	\$22.3M
NASHVILLE POST OFFICE	1925	10 RACHEL DRIVE	NASHVILLE	DAVIDSON	37214	\$70.8M
NEW SOUTH CREDIT UNION	1952	3261 N. MALL ROAD	KNOXVILLE	KNOX	37924	\$47.1M
NORTHEAST COMMUNITY	1952	980 JASON WITTEN WAY	ELIZABETHTON	CARTER	37643	\$112.5M
O.M.C. EMPLOYEES'	1969	1186 LOWER RIVER ROAD NW	CHARLESTON	BRADLEY	37310	\$27.8M
OLD HICKORY	1934	1000 INDUSTRIAL DRIVE	OLD HICKORY	DAVIDSON	37138	\$225.7M
OLIVET BAPTIST	1978	3084 SOUTHERN AVENUE	MEMPHIS	SHELBY	38111	\$385K
P.I.A.S.	1961	305 PLUS PARK BLVD	NASHVILLE	DAVIDSON	37217	\$5.4M
PATHWAY	1967	2751 RALPH BUCKNER BLVD NE	CLEVELAND	BRADLEY	37311	\$4.8M
PATRIOT EQUITY	1929	1450 UNION UNIVERSITY DRIVE	JACKSON	MADISON	38305	\$23.8M
SCENIC COMMUNITY	1967	4503 HIXSON PIKE	HIXSON	HAMILTON	37343	\$116.2M
SKYLINE CREDIT UNION	1966	3443 DICKERSON PK # G-10	NASHVILLE	DAVIDSON	37207	\$16.3M
SMART CHOICE	2003	1075 BLYTHE AVENUE SE	CLEVELAND	BRADLEY	37311	\$2.7M
SMITH & NEPHEW EMPLOYEES	1968	1450 E BROOKS ROAD	MEMPHIS	SHELBY	38116	\$8.4M
SOUTHEAST FINANCIAL	2010	220 S ROYAL OAKS BLVD	FRANKLIN	WILLIAMSON	37064-5313	\$376.3M

Credit Union	Year Est.	Address	City	County	Zip	Assets
SOUTHERN	1933	508 NATIONAL AVENUE	CHATTANOOGA	HAMILTON	37404	\$20.8M
ST. THOMAS	1959	4230 HARDING PIKE, STE. 103	NASHVILLE	DAVIDSON	37205	\$25.8M
TENNESSEE DEPARTMENT OF SAFETY	1971	1150 FOSTER AVENUE	NASHVILLE	DAVIDSON	37243-4400	\$9.2M
TENNESSEE EMPLOYEES	1969	400 DEADERICK STREET	NASHVILLE	DAVIDSON	37243	\$16.2M
THE TENNESSEE	1950	1400 8TH AVENUE S	NASHVILLE	DAVIDSON	37203	\$300.6M
THE WEST TENNESSEE	1967	2521 FITE ROAD	MEMPHIS	SHELBY	38127	\$17.0M
TIMES FREE PRESS	1966	400 EAST 11TH ST	CHATTANOOGA	HAMILTON	37403	\$2.2M
TNCONNECT	1924	P O BOX 52990	KNOXVILLE	KNOX	37950	\$49.3M
U. S. COMMUNITY	1968	2622 OLD LEBANON ROAD, STE 100	NASHVILLE	DAVIDSON	37214	\$172.9M
U. S. T. C. EMPLOYEES	1973	800 HARRISON STREET	NASHVILLE	DAVIDSON	37203	\$2.0M
UPS EMPLOYEES	1980	1814 E. BROOKS ROAD	MEMPHIS	SHELBY	38116	\$20.1M
VANDERBILT UNIVERSITY EMPLOYEES	1959	1313 21st AVENUE S, 107 OXFORD HOUSE	NASHVILLE	DAVIDSON	37232	\$39.4M
VOLUNTEER CORPORATE	1981	2460 ATRIUM WAY	NASHVILLE	DAVIDSON	37214	\$1.29B
WCG EMPLOYEES	1962	11181 HIGHWAY 22	MARTIN	WEAKLEY	38237	\$967K
WILLIS CREDIT UNION	1967	26 CENTURY BOULEVARD, SUITE 101	NASHVILLE	DAVIDSON	37214	\$17.3M

